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21 September 2018

Version of attached file:

Accepted Version

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Thiene, M. and Scarpa, R. and Longo, A. and Hutchinson, W.G. (2018) 'Types of front of pack food labels : do obese consumers care? Evidence from Northern Ireland.', Food policy., 80 . pp. 84-102.

Further information on publisher's website:

<https://doi.org/10.1016/j.foodpol.2018.09.004>

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Front of Pack Food Labels and dietary choice determinants: what works and for whom?

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(forthcoming in Food Policy, accepted on Sept. 14th, 2018)

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Acknowledgements

Funding for this research was provided by the UKCRC, grants number RES-590-28-0001 and MR/K023241/1, by the Department for Employment and Learning, Northern Ireland, and by the Spanish Ministry of Economy and Competitiveness through Grant No. ECO2014-52587-R.

37

38 **Abstract**

39

40 The introduction of an effective Front of Pack food labelling (FoPL) system is at the forefront of the food
41 policy debate. Nutritional information is seen as an effective tool to help fight obesity and its associated co-
42 morbidities, such as cancer and cardiovascular disease, for which unhealthy diet represent a major preventable
43 risk factor. This paper explores the influence of FoPL formats on consumer's stated choice of weekly food
44 baskets using data from a discrete choice experiment carried out in Northern Ireland in 2011. Two of the three
45 baskets were experimentally designed while the third represented the respondent's actual current food choice
46 (or status-quo basket). Four nutritional attributes were used: (i) total fat, (ii) saturated fat, (iii) salt, and (iv)
47 sugar. Baskets were portrayed at different price levels to elicit the sensitivity of choice to price and to derive
48 marginal willingness to pay estimates. Results from random utility models with various forms of heterogeneity
49 reject the null of no association between preference classes and healthier food baskets and also the null of no
50 effect of the nutritional information described. We find that the influence of the FoPL format used to convey
51 nutritional information combines with selected socio-demographic covariates to determine membership to
52 preference classes. A sensitivity analysis is used to validate the preferred model and the response sensitivity
53 of selection probabilities to potential policy levers, such as a more realistic appreciation of self-body image
54 and the habit of reading labels.

55

56 Key words: food choice, dietary habits, discrete choice experiment, Front of Pack food labels

57 **1. Introduction**

58 The UK and the Republic of Ireland, along with Luxemburg and Finland, are the four EU countries in the top
59 10 nations in the world for prevalence of obesity (WHO, 2015). In the UK, according to the "*cost of living and*
60 *food survey*" the average adult body weight increased by 5.1kg between 1993 and 2014, when it reached 77.5
61 kg (The Economist 2016, August 13th). A high prevalence of overweight people is associated with a high
62 incidence of a variety of serious life-style related non-transmissible diseases, such as type two diabetes, many

63 types of cancer and cardiovascular conditions. The incidence of overweight is higher in older people. So,
64 countries heading towards a larger share of aging population are expected to suffer more. Recent estimates
65 from the U.K. National Health Service, for example, project the cost of direct treatment for diabetes to balloon
66 over the next 25 years, moving from 10% of the NHS budget to 17% (NHS, 2012).

67 The growth of human body weight is not only a developed world problem, but it is a global phenomenon. A
68 recent study by the NCD Risk Factor Collaboration (AAVV, 2016, Lancet) used over 19 million body
69 measurements to compute body mass index (BMI) across 186 countries. Data was collected over the period
70 1975-2014 and shows that if current trends continue *“by 2025, global obesity prevalence will reach 18% in*
71 *men and surpass 21% in women; severe obesity will surpass 6% in men and 9% in women”*.

72 At the national level, the UK official statistics (HSCIC 2015) predicts the current obesity trends to continue,
73 showing increases with age, greater prevalence in men than women and among the lower-middle social class
74 These statistics show that the causes are to be found in excessive energy intake, decreased rates of intense
75 physical activity and more widespread sedentary lifestyles; all of which are further exacerbated by a generally
76 unbalanced diet (especially outside the London area), at least when compared to the government recommended
77 *“eat-well plate”* guidelines. All this reflects negatively on the national health care bill, which is already
78 extremely high. Widespread preventive action is now urgently needed. The use of potentially useful market-
79 based instruments, such as taxes on calorie-rich foods (fat-tax, sugar-tax, etc.), is still being debated. Which
80 ways are effective to provide information to those consumers who most need it in order to nudge them towards
81 healthier food choices remains a mostly unanswered issue, yet an answer is badly needed as labeling is still
82 seen as the dominant tool in the policy arena.

83

84 To revert the weight gain tendency and in order to encourage healthier eating, the UK food and health
85 authorities have embarked on a joint effort to promote nutritional information via adequate front of pack labels
86 (FoPLs). Consumers’ nutritional choices play a causative role in weight gain. Coupled with increasing
87 consumer education, lowering the cost of information and interpretation of the nutritional consequences of
88 food choices is seen by many as an essential component of any policy directed to stem and possibly revert the
89 current trend. The information content of back of pack labels have been the subject of much regulation and
90 studies, but the switch in emphasis to placing nutrition information on Front of Pack Labels (FoPLs) is mostly

91 due to the perceived necessity to more forcefully attract consumer's attention to the health consequences of
92 food choice. In the USA in 2011, FoPLs recommendations were published by the Institute of Medicine and
93 also by the Grocery Manufacturers Association and Food Marketing Institute, who started their own labelling
94 scheme. In October 2012, the UK FSA announced a voluntary scheme for FoPLs, which was to be put in place
95 by 2014.

96 Since December 2016 nutritional information have become mandatory on back of pack labels of pre-packed
97 food in the UK. Such information may be repeated in the FoPLs, but this is still a voluntary initiative, which
98 complements the already mandatory labelling information required by the EU Food Information Consumer
99 regulations 1924/2006 and 1169/2011. To promote adoption, a guidance document for creating FoPLs for pre-
100 packed food sold by retail outlets was published in June 2013 by the Department of Health. This was collated
101 following several studies conducted between 2001 and 2013 designed to understand what particular form of
102 FoP labelling is most fit for purpose. The document is part of a series of policy actions taken to encourage
103 voluntary adoption by the UK food industry. Such actions started in 2014, and it is hence still too early to draw
104 conclusions on their effects on health or weight change in the population. Will these voluntary initiatives affect
105 dietary habits and, for example, decrease obesity and other diet-based non-communicable diseases? Will the
106 evidence constitute a legitimate base for compulsory policy in the UK and possibly elsewhere?
107 Epidemiological studies will provide an answer to such important questions in the years to come. But some
108 preliminary evidence can be gleaned from patterns of choices using experimental choice design, as done in the
109 present study.

110 A whole body of research from nutritionists dictates the nutritional categories that provide salient dietary
111 information to consumers, such as sugar, fat, saturated fat and salt contents of each food package relative to
112 the guideline daily amounts (GDA). Several experimental cognitive studies in food consumer research have
113 explored the communication effectiveness of labels. Results have supported the use of specific types of FoPL,
114 on the basis of their ability to attract consumers' visual attention better than others. For example, by comparing
115 mandated nutritional information (the nutritional Facts Panel, NFP) in the US and FoP nutritional labels,
116 Becker *et al.* (2015) found that FoPL were attended earlier, more often and that the use of colours increased
117 attention to labels.

118

119 Consensus seems to indicate that FoPL should have chromatic elements and it might work best if combined
120 with other succinct recognizable signals, such as health certificates (see Bialkova *et al.* 2013, Hersey *et al.*
121 2013). While the effect of socio-economic covariates have also been studied, these focussed on the use of
122 nutrition information from food labels during meal planning (Nayga 1996, 1997) at home or when comparing
123 brands when shopping (Nayga *et al.* 1998). In general, these studies showed the importance of education, along
124 with other factors. However, fewer studies explored whether specific FoPLs affect how healthy consumers'
125 food choices are. Fewer still have done so while accounting for age, perceived weight, education, marginal
126 utility of income and other consumer characteristics relevant for the evaluation of social impact of policy. Yet,
127 this information seems crucial in the overall evaluation of a mandatory FoPL policy, or even of a voluntary
128 labelling initiative. With this study we try to fill this research gap. We recognise that the range of factors
129 affecting food choice is ample and articulated and that these have been the subject of investigation for a long
130 time within several disciplines (see for example Pollard *et al.*, 2002 and Raghunathan *et al.* 2006).

131 The hypothesis we investigate here is that, faced with alternative types of nutritional signals in FoPLs,
132 consumers will be affected differently depending on their latent taste segment and on their body weight status.
133 Such latent segmentation and differential effects on choice would provide some insight with respect to the
134 effectiveness of nutritional signals in FoPLs.

135 While awaiting clearly interpretable clinical data from randomised trials, which can be persuasively used to
136 drive and design the food policy for FoPLs in the UK and elsewhere, some interim insight can be derived from
137 hypothetical food choice studies. In this paper we present results of a survey using discrete choice experiment
138 data. We extend the findings reported in the original Food Standard Agency 2012 report, the results of which
139 were used to issue guidelines by the Department of Health (2013). In fact, the original report documented
140 extensively the degree of comprehension of alternative FoPLs (text only, traffic light systems, GDAs and
141 mixtures thereof), but fell short of establishing the link to healthier food choice by those who most need to
142 make them. Our study provides results that corroborate the original report by systematically linking FoPL
143 types to specific consumer profiles, and to healthier food choice. Our results further show that relevant self-
144 reported factors such as self-image perception, BMI, gender, frequency of reading labels and age are
145 differentially associated with preference groups and with healthy food choice. The main shortcoming of this
146 study is that with the exception of the status quo basket it relies on quite abstract and hypothetical rather than

147 real food choices. Yet, the results are sufficiently strong to motivate further experimental research on real food
148 choice behaviour of alternative FoPLs thereby informing evidence-based policy design.

149 The rest of the paper is articulated as follows. Section 2 reports on the state of knowledge and on the underlying
150 research in FoPL, highlighting the research gaps that our study fills, with an emphasis on defining the broader
151 research strategy enabling the design of an effective labelling policy. Section 3 reports the survey design, the
152 data and the methods of analysis used in our study. We use a mixed logit design that layers discrete and
153 continuous mixing and explore 4 separate FoPLs. Section 4 provides a thorough discussion of the findings and
154 of model validation, while Section 5 concludes by indicating the way forward in research design to inform
155 policy actions.

156

157 **2. Front of Pack Nutritional Food Labelling: a summary of relevant research**

158 Starting from the seminal work by Asam and Bucklin (1973), the use of food nutritional labels by consumer
159 has been the focus of literally hundreds of consumer studies. Several reviews on the issue are available, both
160 for the US and the EU (Balcombe *et al.* 2010, Hawley *et al.* 2012, Soederberg Miller and Cassady 2015).
161 Therefore the following review is quite selective. An early review of six studies (Jacoby *et al.* 1977) concluded
162 that “*most consumer neither acquire such information when making a purchase decision nor comprehend most*
163 *nutrition information once they receive it*”. In response to this and several other studies that showed very low
164 use of nutritional labels by consumers (as low as 20% in the US), Klopp and MacDonald (1981) asked why
165 this should be the case to a sample of Wisconsin shoppers. They found that less educated consumers tended to
166 make significant lower use of labels and spent shorter time in food planning. So did consumers with lower
167 self-assessment of nutrition knowledge.

168 Over thirty years later, Nørgaard and Brunsø (2009) reached similar conclusions in a study of families; they
169 state that: “*Parents seldom use nutritional information when they seem to sense an overflow of information,*
170 *information that is too technical and a problematic presentation of energy distribution, and/or when their*
171 *health consciousness is limited*”, suggesting that “*parents [are] more likely to prefer food labels with concise*
172 *information and more visual aspects*”. Such need for simplification had also emerged from a review of 58
173 studies conducted between 2003-2006 in the EU-15 by Gruner and Wills (2007). Given the importance of

174 visualization of nutritional elements to guide healthy diets, and the necessity to provide such information to
175 consumers in a succinct, yet clear manner, interventions have been devised to place these on FoPLs, which is
176 in the immediate field of vision (i.e. FoPLs), rather than relegating them to the back of the pack labels.
177 In 2012, according to the UK Food Standard Agency (FSA), approximately 80% of pre-packed processed
178 food products sold carried nutrition information on FoPLs. Previous work by Malam *et al.* (2009) found that
179 UK consumers were to some degree confused and distracted by the diversity of existing FoPLs, due to the
180 difference of interpretive elements. In an analysis of the information impact of such elements they concluded
181 that using a text scale (high, medium, low) had the greatest impact on comprehension. They further
182 recommended that combining text with traffic light colour coding and percent of guideline daily amounts
183 (GDAs) enabled more consumers to make healthier food choices, partly because the normative signal was
184 more reinforced by traffic light colours. The study did not elaborate as to whether or not those in most need to
185 correct their diets (e.g. overweight subjects) were differently affected by the various FoPLs. Based on this and
186 other studies, in March 2010 the FSA board encouraged food businesses to use all three elements to signal
187 nutritional amounts: (1) colours from the traffic light system (red, amber and green) or TLS, (2) text signals
188 (high, medium or low) or TXT and (3) percentage Guideline Daily Amounts (% GDAs) in order to enable UK
189 consumers to interpret nutritional information (FSA 2010). Furthermore, the board highlighted that the FSA
190 does not support FoPLs using only % GDAs, but that these should be combined with either traffic light colours
191 or text, and should ideally have all three elements. Finally, consumers seem to value FoPLs, as results from a
192 willingness to pay survey across EU countries shows (Gregori *et al.* 2015).

193 The two most common FoPL elements currently adopted in the UK market place are GDAs—developed by
194 the food industry—and TLS, developed by the FSA. But combinations of the two styles are commonplace and
195 often include basic text signals too. These two most common labelling formats are discussed further below,
196 but it is worth noting that there are other initiatives more specifically directed at fighting the problem of an
197 increasingly overweight population. For example, the “activity equivalent calorie labelling” recently promoted
198 by the Royal Society for Public Health (RSPH), which claims that nutrition information signalled by using
199 equivalence of physical activities are best understood by most.

200 *i) Traffic Light System (TLS Format)*

201 Independent research by the FSA has investigated FoPL extensively and produced a large body of literature
202 (see Synovate, 2005). Following reviews published in 2005, the FSA concluded the Traffic Light System
203 (TLS) to be the most effective FoPL label to enable consumers to make informed dietary choices about food
204 products. The TLS is a FoPL which informs and warns consumers on the nutritional content of processed foods
205 indicating the amount of calories, fat, saturated fat, salt and sugar of processed foods per 100gr by assigning
206 colour-coded levels: high content is something to be warned about, and hence is red; medium content is less
207 worrisome and it is amber; and low content is the way to go, and hence is green.

208 Early studies based on eye-tracking experiments (Jones and Richardson 2007) showed TLS to be relatively
209 more effective at attracting attention. Some literature (Hodgings *et al.* 2012) classify this system as a semi-
210 directive system, as it provides behavioural normative content rather than neutral information as opposed to
211 nutritional table of content, for example. TLS labels have been shown to perform well in attracting attention,
212 even when consumers have limited time and have specific goals (van Herpen and van Trijp 2011). Recent
213 neurological investigation using MRI scan on subjects during choice with different FoPLs provided evidence
214 that “*salient traffic light labels influence the valuation of food products by [activating] a [brain] region*
215 *implicated in endogenous and exogenous self-control and its connectivity*” (Enax *et al.* 2015).

216 Other research supports the use of colour indicators. For example, research by Feunekes *et al.* (2008) support
217 findings by the FSA in that the multiple TLS was the easiest FoPL to comprehend. Epstein *et al.* (1998) also
218 provide evidence that diets based on the TLS can help reduce levels of obesity. Andrews *et al.* (2011) found
219 that the combination of TLS-GDA is more desirable in terms of food choice outcomes than the single summary
220 indicator “Smart choices” used in the US. Thorndike *et al.* (2012) found that a simple colour coded labelling
221 intervention increased sales of healthy items and decreased those of unhealthy ones. More recently, Crosetto
222 *et al.* (2016) found that GDA performs better than TLS when subjects do not face time constraints, but when
223 time is limited TLS outperforms GDA with an increasing number of nutritional goals.

224 However, there exists conflicting evidence suggesting that the TLS is not the most accurate or desirable
225 information format to convey nutrient levels in food (Grunert and Willis 2007; Hodgkins *et al.* 2012). The

226 objection is linked to the red colour being potentially interpreted as “no go” signal, which might lead to
227 systematic under-supply of some important nutrient groups, such as important fat categories.

228 *ii) Percentage Guideline Daily Amounts (GDA Format)*

229 The GDA scheme typically shows the fat, saturated fat, sugar and salt per portion of the food and indicates the
230 percentage the portion contributes to GDA. It is important to note that GDAs are a guide, not a target, to how
231 much energy and key nutrients the average healthy person needs in order to achieve a balanced diet. They are
232 based on the ‘average’ adult. However, physically active people will have higher requirements, and smaller
233 people, like children, will have lower ones. Note that similar acronyms exist. For example, RDAs
234 (recommended daily amounts) were set by the Department of Health in 1979 for nutritional requirements for
235 different population subgroups. In 1991 the Department of Health replaced these with DRVs (dietary reference
236 values), which was a comprehensive term covering criteria for nutritional and energy intakes. DRVs are only
237 to be used as guidelines and are for healthy people. DRVs are commonly reported as recommended daily
238 intakes or recommended daily amounts. Current nutrient recommendations are given in FSA Nutrient and food
239 based guidelines for the UK (2007).

240

241 2.1 Studies on the effect of FoPLs and food choice

242 Discrete choice experiments (DCEs) have a recent and successful history in evaluating consumer preferences
243 for food labels and their content. Gracia *et al.* (2009) employ DCE data and found that consumers were willing
244 to pay more for a nutritional facts panel than a simple nutritional claim. Balcombe *et al.* (2010, 2015) design
245 a DCE based on the TLS to examine the relationship between nutritional food labels (with colour indicating
246 level of nutritional content) and price. Their results seem to indicate that utility is improved more when moving
247 from red to amber (i.e. when remedying potential loss) than when moving from amber to green (i.e. when
248 achieving potential health gains), which suggests a form of gain-loss asymmetry, also apparent in our results,
249 albeit in different form.

250 Empirical studies of effects of FoPLs on food choice while monitoring eye-tracking have also shown that
251 “Adding both health marks and traffic light colours (v. traffic lights only) to numeric nutritional information

252 *produces favourable outcomes from the perspective of public health*” (Koenigstorfer *et al.* 2013), thereby
253 providing grounds for the study of interaction effects on choice, which we undertake here. This is important
254 because there is a tenuous line between striking the right balance with a synergistic combination of displays
255 and over-cluttering, as shown in visual search studies (Bialkova *et al.*, 2013).

256 Aschemann-Witzel *et al.* (2013) also studied the effect on healthy food choices of nutritional label format in
257 Poland and Germany, but in the context choice sets of varied size. Their results show that colour coding is
258 more effective than simple text in inducing healthy choices when the choice set is large. Consumers perceived
259 that colour coding was enabling them to make healthier food choices when asked to do so, but label format
260 had no effect when consumers were asked to choose only on the basis of their personal preferences.

261 Effects of coloured and monochrome GDA labels on healthy choices were investigated in an eye-tracking
262 study by Bialkova *et al.* (2014). They found an effect of nutrition labels on choice via consumer attention,
263 which was attracted most by colour GDA. The effect of monochrome GDA FoPLs on consumer choice has
264 recently been assessed (Boztug *et al.* 2015) using scanner data. The study concludes that *“the GDA label*
265 *introduction reduces attraction of unhealthier products in terms of market share but does not affect product*
266 *choice behaviour*”, as a consequence the authors *“agree that GDA labels are generally insufficient to adjust*
267 *consumer behaviour towards healthier alternatives*”.

268 In closing this review we briefly touch upon studies on the segmentation of food consumers into types and
269 their reaction to alternative nutritional label information. While it is well-established in the literature that
270 antecedent volition (i.e. pre-established goals) (Swait 2014a, 2014b) is a natural driver of the influence of
271 additional information on choice, relatively few studies have looked at latent segments and how they related
272 to nutritional values and health in food choice. Visschers *et al.* (2013) conducted a cluster analysis of nutrition
273 information use from nutrition tables in labels in relation to consumer’s health and nutrition interest. They
274 identify 4 segments, but conclude pessimistically with regards to the outlook with which improvement of
275 nutrition labels is likely to stimulate nutrition information usage among consumer types.

276 From our literature review the issues of interaction effects between label formats that can be jointly used, their
277 effect on latent consumer segments, and especially on obese consumers, all emerge as research topics worthy
278 of further investigation. Our study was designed to cast some light on these issues by an adequate use of DCEs
279 data.

280

281 3. Survey and Data

282 To facilitate the development of the methods section we first illustrate the survey with which we generated the
283 food choice data. In a discrete choice experiment (DCE) respondents are faced with the task of choosing
284 between several experimentally designed alternatives. Using the recorded choices from the experimental
285 design analysts retrieve the underlying preference structure using adequate behavioural theories and statistical
286 models. This method was chosen for this study as it most closely replicates real food choices in a hypothetical
287 setting. In a grocery shop consumers buying their weekly food basket continually compare and evaluate food
288 items on the basis of their taste, previous experience and label information.

289 3.1. Survey details

290 The development of the DCE survey instrument followed a lengthy, systematic process, consistent with the
291 recommendations from the literature. The various stages involved a literature review, expert consultation,
292 focus group research and pilot study, prior to fielding the main questionnaire to collect the final data (full
293 details in Brown, 2014).

294 Three preliminary focus groups were held to understand the role of FoPLs in food choice. Early versions of
295 the questionnaire were tested in further focus groups and individual interviews. These were followed by an in-
296 depth test of the questionnaire with a pilot study of 32 respondents. Information was collected on respondents'
297 attitudes towards food and on their personal characteristics to help explain responses to the choice experiment
298 exercise.

299 In order to elicit the effect of price on food choice, price was also a descriptor of the alternative food baskets
300 evaluated in each choice task, which included two differently priced baskets of weekly food shopping to be
301 compared with the current status-quo food basket, self-reported by each respondent. The focus on the weekly
302 packaged food basket (i.e. a collection of packaged foods bought in a regular week of grocery shopping) was
303 dictated by the fact that limiting the attention to a single product would inevitably restrict the external validity
304 of the results across food products. This choice imposes its own cost in the form of diminished realism of the

305 hypothetical choice scenario, which in our eyes seems the lesser of two evils. Nutritional contents were
306 conveyed in terms of four types of front of pack nutritional food labels. The use of an individual-specific status-
307 quo alternative follows recommendations from recent studies (e.g. Marsh *et al.*, 2011; Boeri *et al.*, 2013;
308 Grisolia *et al.* 2013, 2015). Since baseline diets differ across respondents, it would be arbitrary to present all
309 respondents with an identical status quo. The individual elicitation of the status-quo food basket was achieved
310 by presenting respondents with a visual aid based on food cards from which the assortment of the usual
311 packaged foods bought by the respondent was identified. Such cards were designed based on a protocol
312 developed with assistance from experts in food nutrition and psychology. A systematic approach was taken to
313 ensure consistency and accuracy. Extensive testing was carried out in individual interviews and further tests
314 were conducted during the formal pilot study. Prior to fielding the main survey, example food cards were
315 checked by health professionals (these included registered NHS dieticians and nutritionists working in an
316 academic capacity) to ensure satisfactory representation of foods and nutritional levels from an expert
317 perspective. An example food card was created for each nutritional attribute. Each card displayed a range of
318 foods in categories of high, medium and low according to the content of the nutrient in question in a wide
319 range of food products (See examples in the Appendix). These were displayed to respondents at the moment
320 of the identification of the individual usual weekly basket (status-quo basket), and used to assign to the
321 reference baskets their respective nutritional classifications. See the appendix for examples.

322 3.2 Sample and survey

323 The sampling frame included all residents of Northern Ireland. The sample was drawn using stratified quota
324 sampling using wards within electoral districts in Northern Ireland. Specifically, a two stage sampling process
325 was used. Stage one involved a random selection of wards in Northern Ireland within geographic areas. These
326 were selected so as to provide both urban and rural sub-samples. Samples drawn from each ward were
327 proportional to the overall population in the ward. Stage two involved a quota sample within each of the
328 selected wards. Quotas were assigned according to age, gender, socio-economic classification so as to match
329 known demographics based on Census data and mid-year population estimates from the Northern Ireland
330 Statistics and Research Agency. The survey was administered between December 2010 and March 2011,

331 using face-to-face computer assisted personal interviews (CAPI). It was conducted by professionally trained
332 and experienced market-research interviewers.

333 3.3 Alternatives and choice tasks

334 The discrete choice experiment consisted of a panel of 16 choice tasks per respondent. In the choice tasks
335 alternatives were presented as “your current weekly basket” (the status quo weekly basket as described by the
336 respondent), “Food Basket A” or “Food Basket B”. Given our concern with an individual's whole diet, we
337 found it desirable to frame the alternatives in terms of “your weekly food basket”. Findings from focus groups
338 and individual interviews confirmed that presenting the alternatives in terms of a weekly shopping basket was
339 easily conceptualised by respondents. Indeed, the concept of a basket has been used successfully in previous
340 food choice studies (Balcombe *et al.*, 2010). The Integrated Household Survey (IHS) includes a section known
341 as the Living Costs and Food (LCF), which records weekly consumption and expenditure for each item of food
342 in the average UK food basket (DEFRA 2010). Previous data from DEFRA surveys has been used in economic
343 analysis regarding food choice. For example, Pretty *et al.*, (2005) carried out an assessment of the full cost of
344 the weekly food basket in relation to farm costs and food miles.

345 3.4 Packaged Food Basket Attributes

346 Selection of relevant attributes to describe the alternative FoPLs is important in the design of the DCE survey.
347 Care should be taken to reduce the cognitive burden on respondents (Powe *et al.*, 2005). Attributes selection
348 was based on expert consultations, literature review and findings from our focus groups. Apart from the price
349 attribute, four nutritional attributes were selected, specifically: sugar, fat, saturated fat and salt. The attributes
350 and their levels are described in Table 1.

351 The four nutritional attributes had common reasons for inclusion in the survey: (i) all are typically reported on
352 back of pack nutritional food labels; (ii) there are associated health implications with a diet exceeding guideline
353 daily amounts (GDAs) in any one, some or all of these nutritional attributes; (iii) healthy eating advice from
354 the UK government groups these nutrients together—saturated fat, fat, salt and sugar—stating that all healthy

355 individuals should consume a diet that contains ‘moderate’ amounts of each of them; (iv) all can be used as
356 indicators for taste, which typically has a strong influence on food choice.

357 The price attribute was specified for each basket and presented as a percentage increase, decrease or no change
358 to the respondent’s defined current weekly food basket, which acted as a subjective reference point. Percentage
359 changes were 50% and 20% from the price of the current food basket in each direction. The pre-testing results
360 indicated that respondents' found this to be acceptable in terms of both payment vehicle and amount. The price
361 range variation was informed by the report by the UK office of national statistics on family expenditures
362 (Family Spending 2009).

363 3.5 Experimental Design

364 As in many choice experiment applications, our number of attributes and their levels result in a full factorial
365 with too large a number of choice set combinations to have them all evaluated by respondents, let alone to
366 have sufficient replicates to assess taste heterogeneity across respondents. So, an experimental design criterion
367 is used to assign specific fractions of the full factorial to each respondent in a manner that all the effects with
368 a-priori relevance are identified. Apart from identification, the design typically generates an allocation plan
369 such that the choice data ensure a statistically efficient estimate of a random utility model (Ferrini and Scarpa
370 2007). That is, under a-priori assumptions the design produces estimates minimizing expected variance of
371 estimates. However, several other criteria aside from efficiency are possible (see, for example Rose and Scarpa
372 2008).

373 Efficient experimental designs have come to the fore in recent years. Bayesian efficient designs, as employed
374 in this study, can be used to accommodate uncertainty associated with assumed prior parameter values. Various
375 criteria are used to determine the efficiency of the design. D_b error minimization is the most common criteria
376 and the one used here. In a Bayesian efficient design the efficiency of a design is evaluated over a number of
377 different draws taken from the prior parameter distributions assumed in generating the design (Ferrini and
378 Scarpa, 2007; Scarpa *et al.*, 2007; Bliemer *et al.*, 2008). The efficient experimental design was generated using
379 the software package Ngene, which is a standard in this field.

380 3.6 Nutritional label treatments

381 To uncover the differential effects due to the accumulation of the four nutritional signals in the label formats,
382 respondents were randomly assigned to the following treatments: (i) *FoP label with text only* (TXT) (high,
383 medium or low). For example, if a basket of goods is labelled “high” for the respective nutrient (fat, saturated
384 fat, salt or sugar) this means that it is considered to have high levels of the respective nutrient per 100gr
385 servings; “high” is interpreted as most unhealthy while “low” is considered the healthiest, with “medium” in
386 between; (ii) *FoP label using multiple traffic lights* (MTL) adds a chromatic signal (red for high, amber for
387 medium and green for low) to the text signal for each nutrients in the basket; (iii) *FoP label using Guideline*
388 *Daily Amount* (GDA) rather than traffic light colours, this format adds to the text the GDA percentages; (iv)
389 *Integrated FOP label format* (HYB). Both traffic light colours and GDA percentages are combined into a
390 hybrid signal for each nutrient, on top of the text. Examples of food baskets are reported in Figure 1.
391 Respondents had already defined their status quo level of these nutrients from their actual food purchase (See
392 show cards in the Appendix) In terms of information load one expects HYB to be superior to all others, and
393 TXT to be inferior to all others, with MTL and GDA to have intermediate effects, possibly different in size
394 according to whether chromatic or percentage information result as most effective. The impact on healthy
395 choice may, or may not correlate to information load, and this issue is part of our investigation.

396 3.7 Socio-economics covariates

397 Given our intention to test the role of a number of socio-economic variables in explaining taste latencies and
398 sensitivity to FoPLs types by weight sub-samples, several covariates were also collected to be used in
399 estimation of the choice probability model. The first two are age and gender as they are well-known
400 determinants of food choice. These were followed by two additional variables related to individual body
401 mass index (BMI) and self-body image. BMI was calculated based on data each respondent provided in
402 terms height and weight. With regards to self-body perception, respondents were asked the following
403 question: “*When you think of your ideal body weight, would you say you are currently: a lot over, a little*
404 *over, about ideal, a little under, a lot under.*” A last question investigated the level of engagement in terms
405 of acquiring information; respondents were asked to answer the following question “*How often do you read*

406 *these front of pack food labels when you are buying food: never, rarely, occasionally, usually, always, don't*
407 *know/can't remember".*

408

409 **4. Research questions, theory and methods**

410 In this empirical study we set out to answer the following policy-relevant research questions:

- 411 1) Do food basket choices relate to latent preference classes with different propensity to select healthy
412 food baskets?
- 413 2) Do FoPL formats determine probabilistic membership to such classes?
- 414 3) Is there a residual heterogeneity within classes which can further explain within-class taste variation
415 for some food attributes?
- 416 4) Are choice predictions valid from the viewpoint of their plausibility with self-reported height/weight
417 data (BMI) and other socio-economic variables in the sample data?
- 418 5) Are there policy-relevant differences in the way FoPLs formats affect the propensity to select healthy
419 food basket? In other words, do various FoPLs affect the propensity of subjects to abandon a reference
420 basket to select a healthy food basket? If so, how?

421 More specifically, the aim of the study is to account for the role of FoPL formats on packaged food basket
422 choice via the existing latent differences across respondents' taste and ability to discriminate between
423 alternatives (latent taste and scale classes). So, to simultaneously account for preference heterogeneity and
424 varying levels of multiplicative correlation (often defined as error scale) in a tractable manner, we use both
425 forms of preference mixing, continuous and discrete. To do so we specify choice probabilities using a latent
426 class (LC) logit model, but a subset of taste coefficients, after testing, are also assumed to be continuously
427 random within preference classes. We name this a latent class random parameter logit model (LC-RPL)
428 (amongst others Bujosa *et al.* 2010, Hess *et al.* 2012, Franceschinis *et al.* 2017) .

429 We denote the latent preference classes with c and the latent multiplicative correlation classes with s .
430 Conditional on belonging to a specific c,s -latent class combination, a consumer's chooses the favorite food
431 basket i from a set of $j \in J$ mutually exclusive alternatives, with $J = 3$. The probability of this choice is

432 characterized by different profiles for nutritional attributes (weekly food baskets) and types of information
 433 display in the FoPL. Nutritional attributes report high, intermediate and low levels of fat, sugar, saturated fat
 434 and salt, and include the cost of the food basket.

435 Respondent n is asked to choose her favorite food basket in a panel of $T=16$ experimentally designed choice
 436 tasks nt . Following the conventional random utility (RU) maximization approach (Thurstone 1927, Manski
 437 1977), each respondent n is assumed to select the utility-maximizing food basket from the set. For a respondent
 438 n with a particular combination of preference-class c and scale-class s , the indirect utility of alternative i in
 439 choice task t is denoted by $V(\lambda_s, \beta_c, \mathbf{x}_{nit})$, and the overall total utility includes a random component ε i.i.d.
 440 Gumbel:

$$441 \quad U_{nit|gc} = V(\lambda_s, \beta_c, \mathbf{x}_{nit|gc}) + \varepsilon_{nit|sc}, \quad (1)$$

442 where $\mathbf{x}_{nit|sc}$ is the vector of five food attributes, described by their respective levels; β_c is a vector of preference-
 443 class utility coefficients to be estimated and λ_s is the scale-class specific value for the scale parameter¹
 444 (multiplicative correlation factor).

445 Because of the assumption on the stochastic component, the probability for a consumer n belonging to latent
 446 class combination s, c of choosing alternative i over alternative j in the choice set nt is given by a multinomial
 447 logit model (McFadden 1974):

$$448 \quad \Pr_{nit|sc} = \frac{\exp(\lambda_s \beta_c' \mathbf{x}_{nit})}{\sum_{j=1}^J \exp(\lambda_s \beta_c' \mathbf{x}_{njt})} \quad (2)$$

449 The RUM latent class choice model is characterized by a discrete mixture of choice probabilities, over a finite
 450 number of c preference classes and s scale-classes, each of which shows a homogenous choice behavior
 451 (Provencher et al. 2002, Boxall and Adamowicz 2002, Hensher and Greene 2003, Scarpa and Thiene 2005). It
 452 follows that the mixing distribution $f(\beta)$ is discrete, with a random parameter vector β_c denoting a finite set of
 453 c different vector values. There is a fairly active debate on how to adequately account for the potentially
 454 confounding role of the scale/multiplicative correlation parameter of the Gumbel error (Burton *et al.*, 2016).

¹ There has been a debate addressing the potential confounding between scale and taste heterogeneity (Hess and Rose, 2012). Since the use of the term “scale parameter” has become established in the literature, we also use it here, but warn the reader to interpret it as a factor able to capture multiplicative correlation, and direct readers to the recent clarification note by Hess and Train (2017) for further details on its correct interpretation.

455 The importance of the scale parameter was first raised by Swait and Louviere in their seminal paper (1993),
 456 who argued that respondents do not necessarily display the same level of certainty when making choices.
 457 Louviere and Eagle (2006) pointed out that ignoring the scale factor may confound heterogeneity in
 458 preferences with heterogeneity in error variance, thereby potentially obtaining biased estimates. Recently,
 459 various approaches were implemented to address variation in taste and its correlations via the scale parameter
 460 (Keane 2006, Fiebig *et al.* 2010, Scarpa *et al.* 2012, Hess and Rose 2012, Thiene *et al.* 2015; Hess and Train,
 461 2017).

462 The probability of observing a choice sequence, conditional on being in scale class s (i.e. on a given degree of
 463 discrimination) and preference class c is:

$$464 \Pr(y_n|s, c) = \prod_{t=1}^{T_n} \frac{\exp(V_{nit|sc})}{\sum_{j=1}^J \exp(V_{njt|sc})} = \prod_{t=1}^{T_n} \frac{\exp(\lambda_s \beta'_c \mathbf{x}_{nit})}{\sum_{j=1}^J \exp(\lambda_s \beta'_c \mathbf{x}_{njt})} \quad (3)$$

465 We hypothesize that for each latent class significant food attributes effects are estimated in the class specific
 466 utility function. Formally, this implies λ_s and β_c be different from zero for all scale classes s and taste classes
 467 c . Rejecting the null implies a positive answer to part of research question 1) above. The other part (i.e. whether
 468 they relate to healthier food choice) depends on the specific value estimates for β_c .

469 For each latent preference class c and scale class s , membership probabilities are defined via a multinomial
 470 logit approach, with class-specific constant α_c :

$$471 \pi_{c,s} = \left[\frac{\exp(\alpha_c + \alpha_s + \gamma'_c \mathbf{z}_n)}{\sum_{c=1}^C \sum_{s=1}^S \exp(\alpha_c + \alpha_s + \gamma'_c \mathbf{z}_n)} \right] \quad (4)$$

472 where \mathbf{z}_n is a vector of covariates of respondent n , γ the vector of associated parameters, α_c and α_s are class-
 473 specific constants and must sum to zero for identification. In our investigation, key determinants of preference
 474 class membership are types of FoPLs, along with the individual characteristics, especially those related to
 475 health issues and the conventional socio-demographics.

476 We hypothesize that for each latent class significant membership determinants are estimated in the class
 477 specific membership probability function. Formally this implies that the elements of the vector γ_c , as well as
 478 the preference and scale-specific intercepts α_c, α_s be different from zero for some scale classes s and taste

479 classes c . Rejecting the null implies a positive answer to part of research question 2) above. The other part (i.e.
 480 which specific determinants relate to healthier food choice) depends on the specific value estimates for γ_c .

481 The unconditional probability of a sequence of choices over all classes is:

$$482 \Pr(y_n) = \sum_{c=1}^C \sum_{s=1}^S \pi_{c,s} \prod_{t=1}^{T_n} \frac{\exp(\lambda_s \beta'_c x_{nit})}{\sum_{j=1}^J \exp(\lambda_s \beta'_c x_{njt})} \quad (5)$$

483 Previous studies using finite mixture of preference classes found that allowing for further heterogeneity within
 484 each preference class, by means of continuously varying random parameters, produced significant increases
 485 in model fit (Bujosa *et al.* 2010, Hess *et al.* 2012, Greene and Hensher 2013, Campbell *et al.* 2014, Boeri *et al.*
 486 2014, Farizo *et al.* 2014, Yoo and Ready 2014, Franceschinis *et al.* 2017). There is no *a-priori* strong rationale
 487 for negating this occurrence in our data. On the contrary, respondents belonging to the same preference class
 488 are expected to show some continuous form of variation in preference for some sub-set of attributes with
 489 random coefficients $\tilde{\beta}$, while maintaining the shared values within the class for the other coefficients. So, we
 490 estimate a latent class model that accommodates in the vector of utility coefficients some continuously random
 491 coefficients. This allows for continuous heterogeneity of tastes across respondents within the same preference
 492 class. The unconditional choice probability then becomes:

$$493 \Pr(y_n) = \pi_{c,s} \prod_{t=1}^{T_n} \int_{\beta} Pr_{nit} f(\tilde{\beta}) d\beta \quad (6)$$

494 Specifically, in our case, an extensive specification search showed that the utility coefficients for the current
 495 food basket (i.e. the status quo), high level of fat and high level of salt are best specified as continuously
 496 random within each preference class². Normal distributions are assumed for such random parameters in each
 497 preference class, such that $\tilde{\beta} \sim N(\mu, \Omega)$ and μ, Ω are the subject of estimation from the DCE data.

498 We hypothesize that at least some of the taste parameters within classes have specific hyperparameters Ω of
 499 their continuous distribution that are significantly different from zero. Rejecting the null implies a positive
 500 answer to research question 3) above.

² We engaged in a specification search exploring all sets of random utility coefficients. The reported model is the one with best improvement in model fit. A mixed logit with all random coefficients (normally distributed) except for price and full correlation gives an AIC of 22,643 which is much higher than what found in our favorite model: 17,002.

501 From the normative viewpoint the question we hope to answer relates to whether specific FoPL associate
502 themselves with preference patterns (i.e. latent classes) more or less likely to induce healthy food choices. For
503 example, a preference structure systematically favouring selection of tastier food baskets with high levels of
504 salt, fat and sugar is bad for health. Given the broad heterogeneity documented in the food taste literature, we
505 must account for other systematic differences associated with individual-specific variables. For example,
506 standard socio-economics (age and sex), self-perception of body weight (how this departs from the ideal) and
507 more objective body weight measures (BMI) and their correlation with self-image.

508 In the model validation section, the effects of systematic exposure to specific FoPL is explored, at the
509 individual respondent level, in terms of differences in predicted marginal probabilities of membership to
510 classes with differing propensity to select healthier food baskets. This analysis highlights what FoPL formats
511 increase membership to given taste classes and hence the propensity of healthier food choice; and from what
512 other preference classes these increases are drawn. This provides an answer to research question 4) and to part
513 of question 5).

514 Finally, to specifically answer research question 5), exposure effects to FoPL formats are also explored in a
515 more direct form by comparing the differences in predicted choice probabilities when the choice task contains
516 two alternatives: the status quo basket of each respondent and the basket with the healthiest attribute profile
517 across FoPL (the one with lowest levels of sugar, salt, fat and saturated fat) when both are offered at the same
518 price³. A larger positive absolute value difference between the two predicted probabilities implies a propensity
519 to stay with either the SQ basket, or the healthier basket, whichever has the largest probability. OLS regressions
520 can be used to ascertain the significance of the marginal effects of FoPL formats on these propensities, while
521 accounting for other background variables to avoid omitted variable bias.

522 **5. Results and discussion**

523 **5.1 Description of sample characteristics.**

524 Forty percent of our sample of 797 respondents are men, while the average age of respondents is 48. Personal
525 annual gross income has an average of about £13,800. In terms of education, 33% of respondents holds a high

³ We are grateful to an anonymous reviewer for suggesting this line of investigation that we found to be persuasive and well corroborated by our data.

526 school diploma, 10% of them holds a post school diploma and 10% a university degree or above. In terms of
527 employment status, 52% has either a full time or a part time job, 10% is unemployed and 35% of the sample
528 is retired, student or homemaker. The average weekly expenditure for food shopping is £40.95. The large
529 majority of respondents shop for food at the supermarket (96%), but a substantial fraction also shops for food
530 at local shops (68%) and at the butcher (47%). A small fraction shops on line (5%). In terms of Body Mass
531 Index, almost 33% of the sample have weight in the normal range, 25% are overweight and 18% are obese.
532 37% of respondents perceive their body weight as a little or a lot over, 40% as about ideal and 4% as a little or
533 a lot underweight. The Health Survey of Northern Ireland in 2010-11 (DHSS&PS), instead reports only 7% as
534 with normal weight, 36% as overweight and 18% as obese. These sample statistics hence denote some degree
535 of under-reporting in terms of weight and/or over-reporting in terms of height. An issue to take into account
536 in the policy implications of this study.⁴

537 28% of the sample never or rarely read labels, 23% do so occasionally and 36% usually or always. Importantly
538 for this study to be used in the policy arena, computed BMI values correlate positively with attributes of the
539 self-reported status-quo food basket, such as price ($\rho=0.23$) and high levels of key nutrients (high sugar 0.17,
540 high fat 0.22, high salt 0.19 and high saturated fat 0.21).

541 5.2 Choice models

542 5.2.1 *Specification search*

543 All 11,628 food basket choices from the 797 complete panels are used in our choice analysis⁵. As it has become
544 customary in taste heterogeneity studies, we benchmark our model specification search on the conditional logit
545 specification with fixed utility coefficients, in which all respondents are restrictively assumed to be “preference
546 clones”. We then run a specification search to explore the dimensions of preference heterogeneity over a range
547 of 2-8 preference classes. Given the non-nested nature of the various specifications, we use information criteria
548 (IC) (Bayesian, Akaike, Akaike-3 and corrected-AIC) to guide us to the optimal number of latent preference
549 classes to fit the data, even though this method has its limitations (see discussion in McLachlan and Peel 2000,

⁴ We are grateful to an anonymous reviewer for point this out.

⁵ Estimation of parameters was via maximization of the sample log-likelihood and it was conducted with Latent Gold Choice version 5.0 using the expectation-maximization algorithm from an adequately large number of random starting points, to minimize the probability of local maxima.

550 Thacher *et al.* 2005, Morey and Thiene 2012, 2017). In our search, the IC values decrease as the number of
551 classes increases throughout. The best model was hence selected based on two combined criteria: the
552 plausibility of parameter estimates and the plateauing of the marginal improvement of IC values as a new class
553 is added. This combined approach suggests a four preference-class model is best. Incidentally, four segments
554 were also found by a similar segmentation study on use of nutrition information in Switzerland (see Visschers
555 *et al.* 2013) and on another study on perception of FoPLs in France (Méjean *et al.* 2013). Altogether it is
556 comforting to see that the latent preference classes clearly separate into groups with distinct propensities to
557 healthy food choice. We then explore the effect of scale/multiplicative correlation classes and find that the fit
558 does not significantly improve by adding more than a second class for this factor. The latent scale-preference
559 classes are therefore eight in total.

560 Once ascertained that preference classes can map into healthy food choice, the next step of the specification
561 search involves the crucial testing of whether the FoPLs treatments and the individual-specific variables
562 systematically act as determinants of class membership probabilities for both coefficient and scale
563 heterogeneity. Statistical evidence is found in favor of such covariates influencing preference-class
564 membership probabilities, but not for effects on scale-class, which therefore remains unconditional. A final
565 step in the specification search concerns the testing for the presence of continuous residual heterogeneity within
566 preference-classes. This leads to a final model including both discrete and continuous mixing preference
567 variation. Taste distributions for high level of fat, high level of salt and for the status quo are assumed to be
568 distributed independent normal within each preference class, whereas all the remaining attribute coefficients
569 are kept fixed within each preference class.

570 To summarize the analytics of the above narrative on the specification search, Table 3 reports the information
571 criteria statistics for a selection of the estimated models: *i*) conditional logit model (MNL); *ii*) four-class
572 preference model (LCM); *iii*) four-class preference and two-class scale model (LCM and scale); *iv*) four-class
573 preference and two-class scale model with covariates (LCM and scale); *v*) four-class preference and two-class
574 scale model with covariates and random parameters (LC-RPL and scale). By inspecting Table 3, one notes a
575 gradual improvement in terms of model fit moving from the basic MNL model, which is used as a benchmark,
576 to the rather articulated latent class with within-class continuous random parameters. Importantly, one notes a

substantial improvement (more than 210 points) moving from the latent class model to the LC-RPL model specification, which allows for three continuously random parameters. In what follows we then focus on results description from the LC-RPL model specification.

5.2.2 Fixed preference ($\tilde{\beta}$)

We start by looking at results from the fixed coefficient conditional logit model (Table 4), which is used as a benchmark. The SQ reveals a positive and significant effect on utility coefficients, thereby implying that respondents show a preference for their current food shopping basket over the other alternatives, everything else equal. The price coefficient is negative and significant, as expected. The estimated coefficients for nutritional attributes (except for low saturated fat and low salt) are all significantly different from those for the intermediate level, which was kept as baseline. Importantly, attribute coefficient estimates conform to prior expectations in that they appear to be monotonic with negative preferences towards high levels of unhealthy nutrient attributes, denoting possibly more palatable but unhealthier food baskets; and positive preferences for low levels, denoting healthier but less palatable food baskets. Overall this seems to suggest that people, tend to give up palatability to obtain healthier food options as a result of their understanding of nutritional levels information portrayed in the FoPL. These findings seem in line with the literature (e.g. Balcombe *et al.*, 2010).

The conditional logit model fails to retrieve the latent structure of variation in taste preference and its relation with healthy food choice. Some subjects may prefer food higher in some nutrient level (say fat or salt) because of their individual preference in taste. Others may dislike high levels of a nutrient because they perceive them as unhealthy or simply do not like the taste. This implies that the coefficients of the nutritional attributes may display estimated values of diverse magnitude or sign. Effects of FoPL treatments and socio-economic covariates can be investigated with a fixed coefficient model using adequate interactions with FoPL attributes, but this approach hides latent preference structures (results of a logit model with interactions are available from the authors upon request), which instead are allowed to emerge in our random coefficient latent class approach as acting on class membership probabilities equations.

5.2.3 Class preference ($\hat{\beta}_c$)

Latent class specifications allows analysts to capture different preference structures according to the nature and number of classes in the population of respondents and answer research question 1). In interpreting these models it is customary to try and associate each class with a specific preference profile. In our case we seek to emphasize how class differences relate to healthy food choice. Then, using membership probability estimates, the individual-specific determinants of class membership are discussed in terms of propensity of different subjects to belong to each preference class. We also add a scale-class discussion that separates food consumers in highly and moderately discriminating (i.e. high and low choice determinacy) because we find evidence of continuous random utility coefficients within each class.

Parameters estimates of the four-class model are reported in Table 5. In terms of membership probabilities regarding preference classes, respondents show an averaged 38% probability of belonging to preference class 1, 32% of belonging to class 2, 20% to class 3 and 10% to class 4. Turning to classes with different multiplicative correlation, we note that the scale parameter for scale class 1 (the one with highest scale) is set to one for identification purposes. The relative value of the scale parameter for scale class 2 (averaged probability of 0.593) is 0.16 that of scale class 1, thereby suggesting that respondents have higher likelihood to act as they belong to this scale class, which displays a choice behavior with much lower multiplicative correlation than those in class 1. This implies a much smaller signal to noise ratio than in scale class 1.

Taste parameter estimates of preference classes, with only few exceptions, are statistically significant, suggesting that the preference profile of each class is quite well identified. Second, the coefficient for low saturated fat (*stfat_L*), which was insignificant in the fixed effect model, is now significant across all classes, although but it displays different signs. So, this food basket feature matters differently across preference latent structures.

5.2.3.1 Class 1 (healthy all-rounders)

With 38% probability, collects people that tend to healthy food choice along all nutrient dimensions. The coefficient signs have negative preferences for high levels and positive preferences for low ones. Importantly, respondents with these preferences tend to comparatively dislike their current food basket, as signaled by the negative sign of the *SQ* coefficient, which implies a propensity to modify their current diet behavior, corroborating research question 1). Interestingly, research question 3) is also answered as the estimates of

standard deviations for SQ , fat_H and sug_H are significant: despite the negative means, the effects on utility of these high nutrient levels vary greatly within this otherwise homogenous preference class. This is of particular relevance as it provides evidence of heterogeneity beyond that of latent classes, by allowing for extra taste variation within the same class. Specifically, they imply that within this class, only 7.6% are attracted by baskets with high sugar content in the label, even a smaller share of 1.5% by high fat and about one fifth would tend to stick to their status quo basket.

Respondents with class 1 preferences display the lowest sensitivity to cost for healthy nutrient attributes, as validated by the marginal willingness to pay estimates (WTP) reported in Table 6. They are willing to pay between £35-£46/week more for a weekly food basket with low level attributes, with largest WTP for low sugar doses. On the other side of the spectrum we find baskets with high doses of fat, to avoid which they are willing to pay as much as £88.2/week. As a consequence, they are inclined to spend a substantial amount of money to move towards healthier food baskets from medium nutrient dosed ones. Because of their inclination to lower the doses of all unhealthy nutrients, the prototype respondents of this class are named here the “*healthy all-rounders*”.

5.2.3.2 Class 2 (high fat lovers)

With 32% probability, this class shows little residual heterogeneity: the only coefficient found to be significantly random in this class is that for the SQ basket. Its large standard deviation estimate implies an 85% probability of having a propensity to stay with their SQ food choice. Consumers with these preference significantly favour both low and high sugar levels to medium ones as well as medium level of salt and saturated fat. The only nutrient they seem to appreciate in high doses is fat, perhaps for its taste. For want of a better term, we call this class “*high fat lovers*”, but altogether it does seem to be inclined towards a moderately unhealthy food choice in our experiment.

5.2.3.3 Class 3 (selectively focussed)

We named class 3, with 20% probability, “*selectively focussed*” as their choice is affected only by a few nutritional attributes: low salt and low saturated fat, for which they are willing to pay £52.3/week (the large value across classes) and £32.9/week, respectively. They show the largest WTP estimates to avoid all high

655 nutritional levels (more than £120/week). Interestingly, the high aversion towards high doses of fat is
656 characterized by a significant variation in preference, as suggested by the value of the standard deviation of
657 this parameter, but with most coefficient values in the negative range. Similar to class 1, on average, they are
658 mostly inclined to change their current food basket. The estimated distribution indicates that only 14.4% in
659 this class has a propensity to stay with their SQ food basket.

660 5.2.3.4 Class 4 (moderately interested)

661 The 4th class is the lowest probability one (about 10%) and we named it “*moderately interested*”. As in class
662 2, the only random coefficient is for the SQ and it shows a negative mean, but with a large standard deviation,
663 which implies, like in class 1, that about 20% has a propensity to stay with their SQ food basket. Its member
664 seem to only partially compromise taste with health as their choices are associated positively with intermediate
665 doses of nutritional FoPL values. In fact, for all four nutrients coefficient signs for both high and low levels
666 are negative, suggesting moderate amounts being the favourite. Respondents in this class display the highest
667 sensitivity to cost, which induces low values of WTP estimates. In other words, these people are often unhappy
668 with their current food basket and would sometime like to change it, but they do not seem to be strongly
669 affected by nutritional labels. As a consequence, they are unwilling to spend money to secure such change.

670 5.2.4 *Class determinants* ($\hat{\gamma}$)

671 Having identified the sizes and the salient effects of FoPL nutrient messages on propensity to healthy food
672 choice in latent groups with homogeneous preferences, we now turn our attention to exploring their statistical
673 association with individual specific policy relevant social covariates, and to answer question 2). Socio-
674 economic effects on food choice have been found before. So, although not novel, these effects are interesting
675 for model validation. We separate these variables into a first set with three FoPL formats (HYD, GDA and
676 MTL, since TXT is the baseline), the set of conventional socio-economic variables (income, education
677 attainment, age, sex, etc.) and the final set of food choice context self-reports (perceived departure from ideal
678 body weight, BMI, propensity to read food labels, etc.).

679 FoPL formats are known to convey different amount of information by means of various visual features. A
680 key policy question that can be asked to endorse a given FoPL format over others is whether it significantly
681 affects class membership probabilities, and if so how it associates with more or less healthy food choice.

682 5.2.4.1 FoPL formats

683 In our model, all effects refer to the baseline probability of belonging to the highest probability class 1 (*healthy*
684 *all rounders*). All else being equal, compared to TXT, the hybrid FoPL (HYB)—the most informative label
685 format—significantly increases membership probability to class 3 (*selectively focussed*). From a policy
686 perspective this is an interesting and positive finding, as the preference features of this class provide scope for
687 designing and implementing a tailored policy to increase the role of nutrient information in food purchase
688 involvement for saturated fat and salt.

689 The GDA format is the second most informative as it only differs for lack of the colour signals from the HYB.
690 This treatment is never significant at conventional level, but has the highest asymptotic z -value for a negative
691 effect on membership to class 2 (*high fat lovers*) and for positive effect on class 3. The negative effect lowers
692 the probable membership to class 2 in favour to the healthier class 1 and increases that of class 3. For both the
693 significance is just outside the customary levels, but in light of the more recent recommendation to interpret
694 p -values (Wasserstein and Lazar, 2016) it makes sense to highlight this result regardless of conventional level
695 of significance.

696 In terms of visual signal, the traffic light in text format (MTL) is only just more informative than the least
697 informative FoPL (TXT) as it only adds colors to the TXT display. Compared to the latter it only shows a
698 significant and negative effect on membership probability to class 2 (*high fat lovers*), denoting by default a
699 positive role in determining association with groups making healthier food choices. For memberships to classes
700 3 and 4 its effect has low significance. Overall our data provide a positive answer to research question 2) and
701 3), since the matrix Ω is significantly different from zero, and its structure varies plausibly across preference
702 classes.

703 5.2.4.2 Socio-economic covariates

704 Moving to the socio-economic covariates, we see that older age significantly affects only membership to class
705 2; it makes sense that elderly people are more likely to be in this group because they are often less inclined to
706 collect new information from FoPL and to use it to improve their knowledge about food products: this might
707 require comparative higher cognitive effort or accrue comparatively lower perceived benefits. Being a woman
708 significantly increases membership to class 3, which is the *selectively focussed* class. Women might have more
709 familiarity with food choices as they often shop for food for the whole household.

710 Self-reports on the frequency of reading FoPLs have a negative association with memberships probabilities to
711 classes 2 and 4, which by default implies they are positively associated (with high significance) to the other
712 two healthier food choice classes. This is definitely an interesting piece of information for policy, as both
713 classes 2 and 4 involve respondents who are either moderately affected by nutritional details (class 4) or only
714 partly affected (class 2). So, those who read FoPL details frequently are associated with healthier food choices.
715 We cannot state causation, although this is obviously very plausible, so a campaign aiming at increasing the
716 frequency of reading such details might steer consumers towards healthier food baskets. This obvious link can
717 be used as a validation of the robustness of the model. Causation could be explored in future research with
718 field experiments based on randomised treatments.

719 A salient feature, in the context of stemming the growth of overweight prevalence, is the association between
720 self-reported perception of having an “ideal body weight” and class membership, as well as its association with
721 the more objective BMI values. Perceiving oneself as having an ideal body weight is significantly and
722 positively associated only with membership to class 2. These people do not perceive to have weight-related
723 reasons to steer away from high fat baskets and indulge in tasty meal selections. On the other hand, having a
724 high BMI has a negative and significant association with class 3, which implicitly makes it positively
725 associated with the baseline class of healthy food choosers. At least in this hypothetical choice context, those
726 with a weight problem, objectively measured or perceived, seem to pay attention to FoPL and to use them for
727 healthier choice. This suggests that the choice experiment reached out to its target audience.

728

729 5.3 Sensitivity analysis and determinants of membership probabilities

730 Discussing signs and relative magnitude of structural coefficients $\hat{\gamma}$ of probability models offers some insight
731 on the direction and intensity of associations between preference groups and their drivers. However, further
732 insight on model validity can be gleaned by a sensitivity analysis. So, in this section the estimates of the
733 coefficients determining class membership probabilities are used to perform a sensitivity analysis. The aim is
734 to describe changes in class membership probabilities, and hence on degree of healthy food choice, as a
735 consequence of changes in their determinants. The ultimate goal is, in fact, to draw a selection of scenarios
736 that can provide useful suggestions for policy design, which in this case must be tailored on the characteristics
737 of the target population.

738 Figure 2 shows how class membership probabilities change as age increases. The baseline is defined by the
739 profile for a male respondent who decided the favourite food basket using the TXT format for FoPL, and who
740 reports to never read food labels, a normal body weight (BMI group 3) and who perceives their own body
741 weight as about ideal. Young males with such individual traits display a high probability of belonging to class
742 4, the *moderately interested*.

743 As age increases within this profile a major shift in membership probability takes place from class 4 to class
744 2. That is, from *moderately interested* to *high fat lovers*. From a policy perspective, this is important as it
745 suggests a policy addressing older people, or educating middle age people to be more attentive about food
746 choices. If one is prepared to assume that the change is age-induced, rather than being a feature associated to
747 the specific age cohort, then one may conclude that without a tailored action, young males with 15%
748 probabilities of belonging to class 2 may see this probability grow to nearly 50% by the time they are 60 years
749 old guys: a three-fold increase. Clearly, more research is necessary to establish this causal dependency.

750 One may wonder what effect would have to change some elements of this profile on the age range. Figure 3
751 describes this effect on a woman reporting to “always read the label” (except for the first set of bars), and who
752 decides based on a HYB label, i.e. the label format conveying the richest amount of information. The combined
753 effect on membership probability of sex and of label type change (from TXT to HYB) can be seen by

754 comparing the first set of bars on the left between Figure 2 and 3. The effect is strong and positive for class 2
755 membership, and negative for class 1. Focusing on the first two sets of bars in Figure 3 shows the effect of
756 moving from “never” to “always” reading FoPLs, everything else being equal, for an 18 year old woman. As
757 can be seen “always reading FoPL” is strongly associated with classes with healthier food choices. Specifically,
758 we note a two-fold decrease in membership probability for class 2 (*high fat lovers*) and a drop from 50% to
759 3% in class 4 (*moderately interested*).

760 Turning the attention to the five blocks of bars on the right of Figure 3 allows us to explore the effect of age
761 increase on class membership. We note that, as expected, being older makes it more likely to belong to class
762 2, a relatively unhealthy food choice group, with a probability change from 10% to 26%, which draws mostly
763 from class 4 (the *moderately interested*). From a policy perspective, there is obvious scope to target older
764 women, even when they read FoPL and correctly think of themselves as of ideal weight, to improve their diet
765 habits. This needs doing with action beyond food labeling. Perhaps with an information campaign directed to
766 the personalized interpretation of the information content of labels.

767 Let us now turn to Figure 4 which investigates the interesting effect of the five BMI categories (from normal
768 BMI to the highest obesity of class III) on class membership probabilities. The baseline in this case are 30
769 years old women who never read FoPLs, are shown a HYB format, and perceive own weight as “about ideal”.
770 Let us ignore for the moment the rightmost block of bars and focus on the first five. From these comparisons,
771 there emerges a quite clear picture: all else equal, increasing BMI (that is, *effective* weight, not the perceived
772 one) redistributes membership probabilities from class 4 to class 2. That is from the *moderately interested*
773 group to the *fat lovers*, which for highest BMI ends up with a 61% membership probability. Hence, there is
774 clear evidence for the need to target food choice policies to this group of effectively overweight and obese
775 people, who despite having objective issues in terms of own weight (as shown by reported BMI), incorrectly
776 perceive their body weight class and hence discount their health risks.

777 How much does a realistic perception of own body weight combined with reading FoPL affect class
778 membership in an extreme case? To answer this question let us now focus on the two very last groups of bars
779 on the right side of Figure 4. The last set of bars to the right shows how class membership probabilities change
780 with respect to the second to the last set when these conditions are imposed, i.e. when own weight perception

781 is correct (a lot over-weight for a class III obese woman) and reading FoPL is imposed. The two effects
782 combined produce a major redistribution in the class membership probabilities: class 1 (the healthy food
783 choice) increases from 10% to 65%, followed by a smaller increase in class 3 (that also chooses quite well),
784 whereas class 2 and class 4 show a drastic decrease, moving from 61% to 13% and from 24% to 3%,
785 respectively. This suggests that a policy promoting a *realistic* body weight image and a regular reading of
786 FoPL details is associated with potentially *strong* health benefits from the adoption of healthier diet. Similar
787 results are found also with label formats different from HYB. A proposition worth exploring further in field
788 experiments.

789

790 5.4 Distributions of individual marginal WTP estimates and taxation targeting

791 The literature has often discussed the cross effect of price-based instruments to discourage the dietary intake
792 of unhealthy nutrients. Taxing one nutrient—for example fat—can, by statistical association, discourage the
793 uptake of other complementary nutrients—for example salt. One way to inform policy design is to explore the
794 degree of association between individual-specific marginal willingness to pay (mWTP) implied by the
795 sequences of choice data of each respondent. mWTPs can be computed in our sample, conditional on the
796 pattern of the 16 observed choices, for high (and therefore unhealthy) levels of nutrients in the weekly food
797 baskets. Figure 5 shows the quantile contours of a bivariate kernel density of mWTP for a weekly diet high in
798 fat and high in salt. The north-east quadrant delimited by the dashed line shows the density of those in the
799 sample with positive mWTPs for both, while those in the south-west quadrant show the densities for those
800 with negative values. In this quadrant we recognize a group with strong adversity to a diet with high values in
801 salt and fat (less than £-150/week) and a group with medium aversion (around £-50/week). The highest density
802 is found along the dashed line (£=0/week) for high fat, but around £-15/week for high salt.

803 The north-west quadrant collects those that have positive view of high fat, but negative for high salt. These
804 respondents would not adjust their high salt diet as a consequence of a tax on high fat, since they already dislike
805 high salt, but those in the north-east quadrant would. Although the latter group has smaller density. The south-
806 east quadrant collects those with positive view of high salt, but negative for high fat. A similar reasoning
807 applies here for a tax on high salt—it would not reduce the consumption of high fat in this group.

808 The policy implication is that the segment in the north-east quadrant is the only segment that would be subject
809 to cross effects in case a tax was exclusively imposed on high levels of either salt or fat. This segment is a low
810 density one and hence cross tax effects are likely to be small. Similar policy directions can be derived for other
811 levels or other nutrients. Some of these are available from the authors upon request.

812 5.5 Effects of FoPL types on class membership

813 Figure 6 illustrates the marginal effects on (posterior) predicted class membership probabilities for each of the
814 three FoPL formats, using TXT as baseline. Values are separated by BMIs computed from self-reported
815 measures (on the right obese respondents with a BMI>30) to emphasize differences between the two target
816 groups. The effects are plotted in increasing order so as to illustrate the sample distribution at the various level
817 of response.

818 For example, focussing on the effect of HYB for non obese, it can be noticed that exposure to this FoPL draws
819 prevalently from membership of classes 3 (selectively focussed) and 2 (high fat lovers) to contribute mostly to
820 membership of class 4 (moderately interested), class 1 (healthy all-rounders) and class 2 (high fat lovers).
821 However, this layout demonstrates that the membership density lost by class 1 is small compared to the density
822 gained, so that class 1 has a net gain, as does (more evidently) class 4.

823

824 A comparison across the not obese and obese plots shows that, while the change in both groups draws
825 prevalently from class 3 (selectively focussed on low salt and on low saturated fat) and is directed mostly to
826 class 4 (moderately interested), the densities of the contribution varies: the contribution to class 4 is much
827 higher in the non obese sub-sample. This implies that HYB labels affect the target population (obese people)
828 by making them relatively more aware across the board of nutrition information, and not only of low salt and
829 saturated fat.

830

831 The overall effect of the specific MTL label shows little difference across sub-samples, but it is of particular
832 interest because it draws from class 2 membership (high fat lovers) and contributes to classes 3 (selectively
833 focussed). This suggests that traffic light colours are effective across both weight groups.

834

835 5.6 Effects of FoPL types on healthy choice

836 Figure 7 reports the predicted differences between the probability of selection of the status quo food basket
837 and the healthiest (i.e. lowest content of sugar, salt, fat and saturated fat) food basket profile on offer. Sample
838 predictions are obtained from the model in Table 5. As evident from the plot, the pattern of positive
839 predicted differences (those with propensity to choose the SQ-basket on the upper part of the graph) differ
840 substantially from that of negative ones (those with propensity to select the healthy basket in the lower part
841 of the graph). The effects of moving from TXT to other FoPL formats is best evidenced in Figure 8 where
842 we plotted the sub-sample *differences* in predicted probabilities of sticking to the SQ basket computed for the
843 most basic TXT labels and those predicted with other labels makes the effect more apparent. Such values are
844 nearly always negative, because TXT shows the highest propensity not to change. Also, they have a much
845 narrower range, as the effect is only due to change of FoPL. Interestingly though, this plot shows clearly how
846 the non-obese respondents are more affected by GDA than MTL, while to obese respondents the two FoPLs
847 are equivalent in terms of this specific effect relative to TXT. However, the latter group shows a smaller
848 difference, indicating lower responsiveness to all FoPLs, but particularly to HYB.

849 We formally investigate the statistical significance of FoPLs on these differences with regards to various
850 subgroups of respondents. The hypothesis is that, once accounted for background variables to avoid omitted
851 variable bias, the marginal effects of FoPL formats and their interactions be significant and have plausible
852 signs. A Chow test of structural stability across signs of the dependent variable is rejected, consistently with
853 gain-loss asymmetry. In Table 7 we report OLS results for two separate regressions, one for respondents with
854 predicted propensity to change to the SQ basket and the other to the healthy basket. The dependent variables
855 are the two sets of absolute values of the differences (positive and negative) in predicted posterior choice
856 probabilities or $|\text{Pr}(\text{sq}) - \text{Pr}(\text{healthy})|$. Positive effects of independent variables indicate larger absolute value
857 differences (i.e. less uncertainty in choice), or stronger propensity. The effect of different types of FoPL is
858 measured using TXT or HYB as a baseline and positive effects are to be interpreted as producing stronger
859 propensity. Interaction effects of interest are those with groups of respondents that are in need to correct their
860 current food choice. So, we use dummy variables indicating exposure to FoPLs, on their own as well as
861 interacted with indicators of subgroups, which are also used on their own as background variables. These
862 subgroups of interest are being a *woman*, self-reporting body measures indicating *obesity* (BMI>30) and a

863 dummy variable indicating *misperceiving* one's own body weight while being obese (1 if one manifests this
864 misperception). Additional background variables include *age* and *age squared*, index of frequency to *read*
865 *labels* and self-perception of an *ideal own body weight*. The variables used have good explanatory power for
866 the two propensities to change (adj. R^2 0.87 for those with SQ propensity and 0.52 for those with propensity
867 to move to the healthy basket).

868 The results of the single coefficients offer much ground for discussion, we limit our comments here to the
869 significant effects of FoPL formats when they are interacted with obesity, gender and self-image
870 misperception.

871 5.6.1 *Explaining propensity for status-quo baskets*

872 With respect to the move from TXT or HYB, moving to GDA or to MTL reduces the propensity to stay with
873 the status-quo basket. This effect is exacerbated for women for GDA (with borderline significance) and for
874 obese respondents exposed to MTL, while for obese people who mis-perceive their own body weight the effect
875 is similar and significant for both GDA and MTL. Being woman, obese and having reported a higher score for
876 ideal body image significantly increase propensity for the SQ basket, and so does being older (with a peak
877 extrapolated at age 91), while the self-reported frequency score for reading labels decreases this propensity.

878 5.6.2 *Explaining propensity for healthy baskets*

879 For this type of propensity the pattern of significance and the directions of the effects are somewhat different.
880 Compared to the move from TXT or HYB, moving to GDA significantly *increases* the propensity to select a
881 healthy basket. This effect is less significant and less than half the magnitude estimated for a move from TXT
882 to MTL; the latter effect (on the margin) is nullified for non obese women. Being obese significantly reduces
883 the propensity to healthy food baskets, especially for those obese respondent that self-report a perception of a
884 normal weight. Being older increases propensity to healthy food baskets, but this effect decreases at squared
885 speed with age. The marginal effect of frequency of reading labels is highly significant and positive, that of
886 being a woman is also positive, but only marginally significant. Self-reporting a higher ideal body image score
887 decreases this propensity significantly.

888

889 **6. Implications for future research and for policy**

890 Deriving strong policy recommendations of immediate applicability to the field of food labeling from a
891 stated preference study with limited external validity as the present one is obviously unwarranted without
892 further field testing, which we advocate. A further limitation is that we did not address how consumers can
893 substitute unhealthy food items with healthy ones to achieve a *satisficing* level of healthiness in the overall
894 mixture of packaged foods in the basket. This because doing so would require a prohibitively expensive
895 experimental design and be impractical.

896 We nevertheless derive some potentially important policy suggestions from our study, which further validate
897 and extend the evidence supporting the recommendation to use GDA by Malam *et al.* (2009). The overall
898 picture depicted by our analysis of the Northern Irish food consumers is quite articulated. They display good
899 sensitivity to nutritional labels for the most part (classes 1 and 3 represent together nearly 60 percent) with
900 about 10 percent displaying moderate interest. About one third of the total (class 2) represents a hard core of
901 relatively insensitive users of FoPL information. However, significant differences exists across determinants
902 of memberships to the four preference groups with regards to both, label formats and socio-economic
903 covariates. A significant residual of within-class preference heterogeneity is present, as shown by both
904 continuously random preferences as well as differences in choice determinism (or ability to discriminate).
905 These technical issues should be born in mind in future by choice analysts operating in this area and by those
906 wishing to develop future field tests.

907 6.1 Policy implications

908 A policy-salient result is that FoPLs induce respondents of different self-reported weight categories to respond
909 differently. FoPL based on traffic light systems (MTL) and daily amount guidelines (GDA) induce stronger
910 responses towards healthier baskets in self-reported obese respondents, compared to the baseline text only or
911 hybrid FoPLs. When the alternative to the status-quo basket is the healthiest food basket, the propensity to
912 select the healthy food shows different sensitivity to determinants, depending on whether the propensity is
913 positive or negative. This suggests potential for different policy targets: one, for example, for nudging FoPLs
914 that portray a visual colour enhancement with respect to the basic text. This because they emerge as
915 comparatively more effective at increasing membership probabilities into preference classes associated with

916 healthier food choice. Choices made under the most visually informative label format (HYB), have higher
917 membership of the preference structure that appears *selectively focused* (class 3) on specific nutritional factors
918 (salt and saturated fats), and it does so in our sample for a large proportion of respondents, even though it
919 shows a markedly lower impact on obese ones (see Figure 6). But, it seems to be effective mostly on already
920 nutritionally sensitized food consumers. How valuable its use can be will hence depend on how large a share
921 of the population this preference class represents, bearing in mind that even though it mostly draws from the
922 “*fat lovers*”, it also draws in part from “*healthy all rounders*”.

923 The marginally less informative FoPL format GDA appears as a determinant in the membership of larger
924 preference classes, detracting from class 2 (*high fat lovers*) and adding to class 3 (*selectively focused*), mostly
925 drawing from class 1 (*healthy all rounders*). Once again, GDA appeals positively to the already nutritionally
926 sensitized food buyers, but in our sample it induces to a class change a smaller sample proportion than HYB
927 and it has similar drawbacks. However, in the propensity to choose healthier baskets when compared to the
928 SQ, our simulation shows the GDA label as having the strongest effect on non-obese respondents, and as strong
929 as the MTL for obese ones. This is a result contrary to that by Botzug *et al.* (2015) who conclude that “*GDA*
930 *labels are generally insufficient to adjust consumer behaviour towards healthier alternatives*”. Altogether
931 these results point the finger to the role of nutrition education as a means to sensitize customers as a necessary
932 precursor of FoPL effectiveness, when these contain more information.

933 What clearly emerges in the sensitivity analysis we conducted to validate the model is the role of other drivers
934 behind preference, such as gender, the perception gap between BMI and self-body image and age, with being
935 obese at the forefront. This points the finger to the potential scope for methods other than alternative forms of
936 FoPLs formats, and towards information programs specifically tailored to specific sub-groups of consumers,
937 a form of individualised labeling. While much emphasis and past research work has been focused only on
938 FoPL formats, the wider policy picture seems to require a much broader multi-dimensional intervention,
939 mostly based on education and directed to specific groups.

940 6.2 Further research

941 Given the small space available to convey information in FoP food labels, the search remains for a succinct
942 prescription for information on nutritional content that can be broadly effective. Direction for further research

943 might include labeling initiatives directed towards specific groups for specific foods (individualized
944 information). Information directed to younger age groups and groups with low nutritional education might rely
945 on labelling signals based on physical activity caloric equivalency. Interpreting these messages does not require
946 knowledge of suggested daily caloric intake or pre-existing sensitivity to specific nutrition factors. For
947 example, recent research in the USA (Bleich *et al.* 2012 and Bleich *et al.* 2014) demonstrates that at least black
948 youth are more inclined to heed and act upon activity equivalent calories metrics than they are on simple caloric
949 amounts. The effect has also been shown to be mediated by parents' choices for their children fast food meals
950 (Viera and Antonelli, 2014). Admittedly, caloric intake does not provide as full a nutritional picture, but in a
951 fight against obesity and overweight it might be more relevant to encourage consumer to consider both
952 lowering intake and increasing physical activity, rather than expecting to act upon complex multi-dimensional
953 nutritional messages.

954 Official UK statistics on caloric intake are problematic. For example, a recent report (Harper and Hallsworth,
955 2016) showed that official statistics on food expenditures (the National Diet and Nutrition Survey data and the
956 Living Costs and Food Survey data) are systematically under-estimating caloric consumption when compared
957 to other survey statistics from the same population (e.g. Kantar Worldpanel) and from evidence derived from
958 other objective measurements. The reduction in the average physical activity necessary to produce the observed
959 average body weight increase cannot be reconciled with the reported intake. A conclusion supported also by
960 Doubly Labelled Water, which indicates calorie under-reporting of about 32 percent. On the other side of the
961 equation, self-reports on physical activity in England in 2008 showed that "data indicated that 39% of men and
962 29% of women met the Chief Medical Officer's minimum recommendations for physical activity; the data
963 from accelerometers indicated that only 6% of men and 4% of women had done so" (Harper and Hallsworth,
964 2016, page 11). These skewed self-reports are possibly due to an increased awareness of being overweight, the
965 need for dieting and increased physical exercise in order to lose weight.

966 The above measures, once combined with GDA or MTL FoPLs might work better than alternative
967 combinations, at least for certain target groups. A view recently supported also by the Royal Society for Public
968 Health chief executive (Cramer 2016). More research is needed in this area, which can move from the basis of
969 relatively weak evidence from hypothetical choice under experimental conditions to more persuasive evidence

970 from field tests based on real choice. Randomised control trials in the dimensions suggested by this study may
971 offer the way forward in this field.

972 In response to our initial question, whether obese care about FoPL, our result show that they do, but differently
973 from other consumers. For example the effects of MTL and GDA formats in selecting healthy food baskets,
974 using TXT as a baseline, are predicted to be identical for obese, but not so for others.

975

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1188

1189 Table 1 - Attributes and levels

1190

Attributes	Levels
Sugar	High, Medium, Low
Fat	High, Medium, Low
Saturated	High, Medium, Low
Salt	High, Medium, Low
Price	+50% , +20%, 0, -20% , -50%

1191

1192 Table 2 – Description of nutritional label treatments

1193

Description	Sample	Abbreviation
Text only	High, Medium, Low Text	TXT
Text, Colour	Multiple Traffic Light	MTL
Text, % GDA	% Guideline Daily Amount	GDA
Text, Colour, % GDA	Hybrid	HYB

1194

1195 Table 3 – Summary statistics of estimated models

Model Specification	LogL	BIC	AIC	AIC3	CAIC	N. par
MNL model	-11,952.1	23,971.0	23,924.2	23,934.2	23,981.0	10
4-Class model (LCM)	-8,961.7	18,210.7	18,009.5	18,052.5	18,253.7	43
4-Class model (LCM) 2-scale	-8,700.5	17,701.6	17,490.9	17,535.9	17,746.6	45
4-Class model (LCM) 2-scale with Covariates	-8,638.3	17,737.5	17,414.6	17,483.6	17,806.5	69
4-Class model (LC-RPL) 2-scale with Covariates	-8,420.2	17,381.6	17,002.4	17,083.4	17,462.6	81

1196

1197 Table 4 – Estimates from Multinomial Logit Model

Attributes	Coeff.	z-value
<i>price</i>	-0.01	-14.61
<i>sug_Low</i>	0.11	3.37
<i>sug_High</i>	-0.26	-7.60
<i>fat_Low</i>	0.17	5.25
<i>fat_High</i>	-0.26	-7.65
<i>stfat_Low</i>	0.03	0.85
<i>stfat_High</i>	-0.46	-13.43
<i>slt_Low</i>	0.07	1.97
<i>slt_High</i>	-0.36	-10.63
<i>SQ</i>	0.32	16.38
Pseudo-R ²		0.0408
Log-likelihood		-11,952.1

1198

1199

Table 5 – Estimates from Latent Class Model

Attributes	Healthy all rounders		High fat lovers		Selectively Focussed		Moderately interested			
	Class 1		Class 2		Class 3		Class 4		Wald	p-value
	Coeff.	z-value	Coeff.	z-value	Coeff.	z-value	Coeff.	z-value	(Likel. Ratio)	
Class size (Preference)	38.2		31.8		19.6		10.5			
Food choice attributes:										
<i>price</i>	-0.01	4.2	-0.04	5.9	-0.06	3	-0.64	7.3	98.26	<0.01
<i>sug_Low</i>	0.6	4.6	1.08	4.1	-0.59	1.3	-1.13	2.2	43.76	<0.01
Mean: <i>sug_High</i>	-0.96	6	0.91	3.9	-7.07	6.5	-1.15	2.6	84.73	<0.01
St. dev.: <i>sug_High</i>	0.67	4.4	0	0	1.42	1.7	0	0	17.14	<0.01
<i>fat_Low</i>	0.46	3.9	0.15	0.9	-0.16	0.4	-0.57	1.2	94.67	<0.01
Mean: <i>fat_High</i>	-1.15	6.5	0.34	1.8	-10.3	7.4	-1.53	3.3	50.59	<0.01
St. dev.: <i>fat_High</i>	0.53	2.7	0	0	3.08	4.1	0	0	106.01	<0.01
<i>stfat_Low</i>	0.5	3.9	-0.62	3.1	1.84	4.5	-1.23	2.6	60.03	<0.01
<i>stfat_High</i>	-1.09	7.1	-1	4.9	-9.67	6.9	-0.9	1.8	91.51	<0.01
<i>slt_Low</i>	0.6	3.9	-1.18	5.1	2.93	5.2	-0.27	0.5	74.53	<0.01
<i>slt_High</i>	-0.74	5	-0.54	3.2	-10.15	7.4	-1.14	2.2	79.10	<0.01
Mean: <i>SQ</i>	-7.41	6.4	20.38	7.3	-2.58	5.9	-7.57	5.3	24.69	<0.01
St. dev.: <i>SQ</i>	8.83	7.6	19.73	7.1	2.43	6.2	8.74	5.9	21.72	<0.01
Membership Equations:										
<i>Intercept</i>	0	--	-0.92	0.2	0.19	0.2	3.63	2.62	(92)*	<0.01
<i>HYB</i>	0	--	0.11	0.3	0.83	2.3	0.3	0.7	(92)*	<0.01
<i>GDA</i>	0	--	-0.6	1.7	0.57	1.6	-0.44	0.9	11.01	0.01
<i>MTL</i>	0	--	-0.74	2.2	-0.11	0.3	-0.2	0.4	(92)*	<0.01
<i>Age (48)</i>	0	--	0.03	3.7	0	0.5	-0.01	1.4	29.72	<0.01
<i>Woman (60)</i>	0	--	0.37	1.5	0.57	2	0.27	0.8	66.53	<0.01
<i>How often read FoPL (2.8)</i>	0	--	-0.61	5.7	-0.08	0.6	-1.08	7	8.15	0.04
<i>Perceived ideal body weight (2.5)</i>	0	--	0.43	2.2	0.04	0.2	-0.19	0.7	12.74	0.01
<i>BMI class (3.8)</i>	0	--	0.09	0.7	-0.34	2.6	-0.2	1.2	(82)**	<0.01
Scale parameter classes										
	Scale class 1		Scale class 2							
Class size (Scale)	40.7		59.3							
Scale parameter	1 (fixed)		0.16		16.93					
N. respondents	797		N. obs.		11,628 Pseudo R-squared 0.34					
Log-likelihood(AIC)	-8,420.2(17,002)									

* Jointly tested using likelihood ratio test; ** tested across three membership equations using the likelihood ratio test.

Table 6 – Willingness to Pay estimates (marginal)

Attributes	Class1	Class2	Class3	Class4
<i>sug_Low</i>	46.5	30.7	-10.6	-1.8
<i>sug_High</i>	-74.1	26.0	-126.2	-1.8
<i>fat_Low</i>	35.7	4.2	-2.9	-0.9
<i>fat_High</i>	-88.2	9.8	-183.8	-2.4
<i>stfat_Low</i>	38.6	-17.8	32.9	-1.9
<i>stfat_High</i>	-83.7	-28.5	-172.6	-1.4
<i>slt_Low</i>	46.0	-33.5	52.3	-0.4
<i>slt_High</i>	-56.9	-15.2	-181.3	-1.8

Table 7. OLS results for positive and negative choice probability differences between SQ and healthy basket

Propensity	Status quo basket		Healthy basket	
$y = \text{Pr}(\text{sq}) - \text{P}(\text{healthy}) $	$y y>0$		$y y<0$	
	Estimate	t value	Estimate	t value
(Intercept)	0.20510	10.85	0.63310	28.73
GDA from TXT or HYB	-0.06039	6.94	0.03761	4.29
GDA x <i>Woman</i>	-0.01705	1.78	-0.01001	1.00
GDA x <i>Obese</i>	-0.00801	0.77	0.00770	0.69
GDA x <i>Misperceived Obese</i>	-0.04447	4.36	-0.00089	0.09
MTL from TXT or HYB	-0.06259	7.20	0.01590	1.82
MTL x <i>Woman</i>	-0.00231	0.24	-0.01853	1.86
MTL x <i>Obese</i>	-0.02298	2.22	0.02081	1.85
MTL x <i>Misperceived Obese</i>	-0.03209	3.18	0.01162	1.17
<i>Obese</i>	0.05558	6.99	-0.04114	4.67
<i>Obese Perceived Normweight</i>	0.00482	0.55	-0.03099	3.31
<i>Age</i>	0.00850	13.11	0.00010	0.13
<i>Age</i> ²	-0.00005	7.46	-0.00003	3.58
<i>How often read FoPL</i>	-0.07176	56.45	0.02693	20.72
<i>Ideal Body Image</i>	0.05721	19.39	-0.01030	3.38
<i>Woman</i>	0.02005	2.91	0.01276	1.79
Adjusted R-squared:	0.8741		0.5211	
F-statistic:	426.2 d.f. 15,904		75.21 d.f. 15,1008	
p-value:	< 2.2e-16		< 2.2e-16	

Figure 1 – Examples of Food baskets (choice tasks)

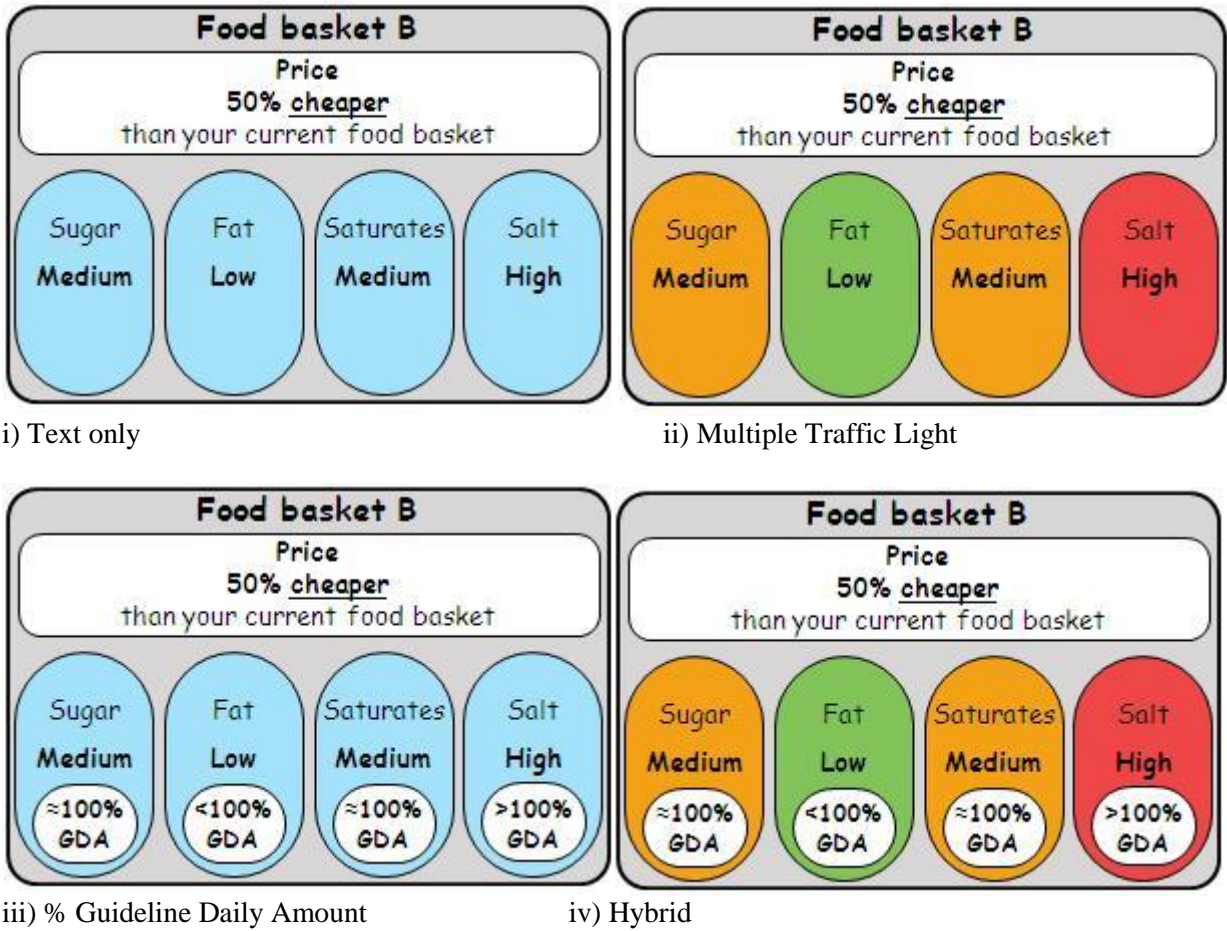


Figure 2 – Class membership probabilities by age increase for a baseline respondent described as male, MTL label format, perceived own body weight as ideal and with normal BMI.

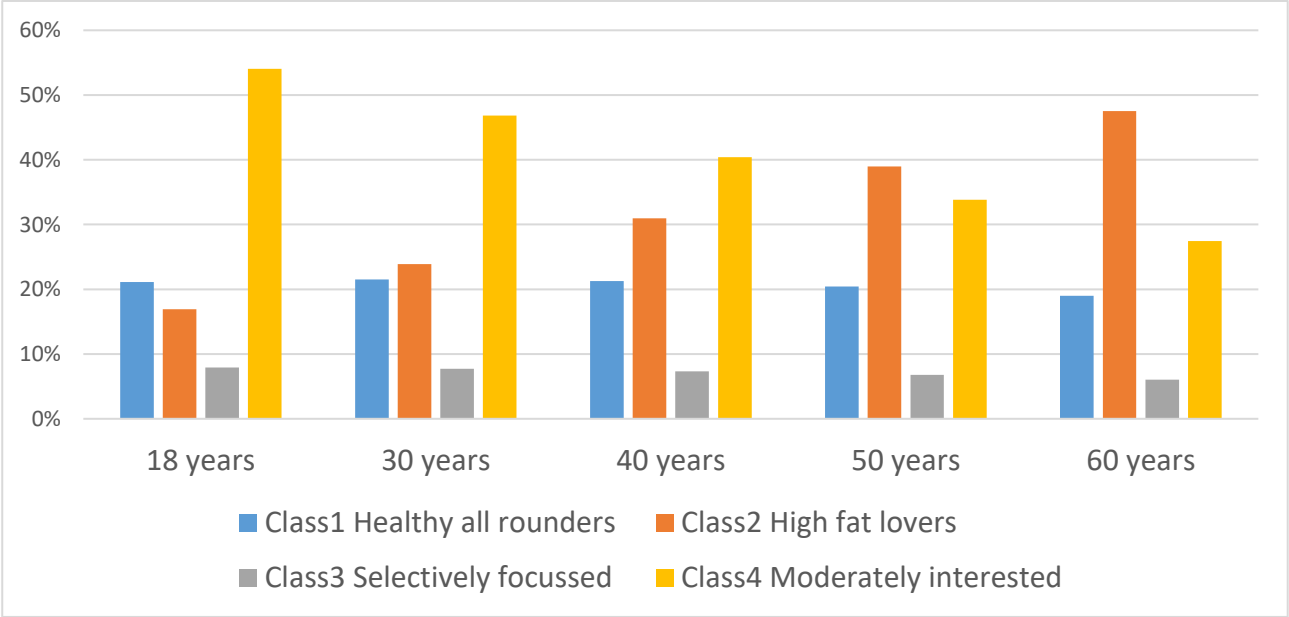


Figure 3 - Class membership probabilities by age increase and by reading or not nutritional information on FoPL. Baseline respondent: woman, HYB label format, perceived own body weight as ideal and with normal BMI.

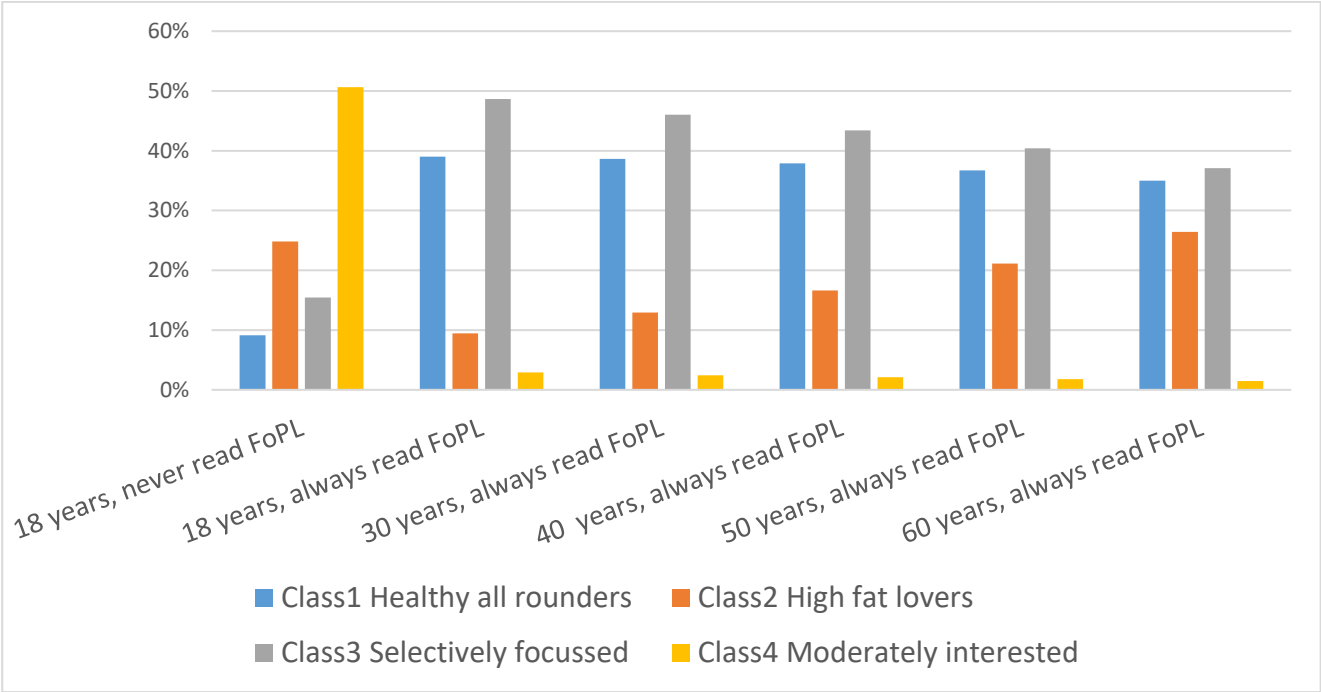


Figure 4 - Class membership probabilities by bodyweight increase and by reading or not FoP labels. Baseline respondent: 30 years old women, normal BMI, perceive their body weight as ideal, and have HYB label format.

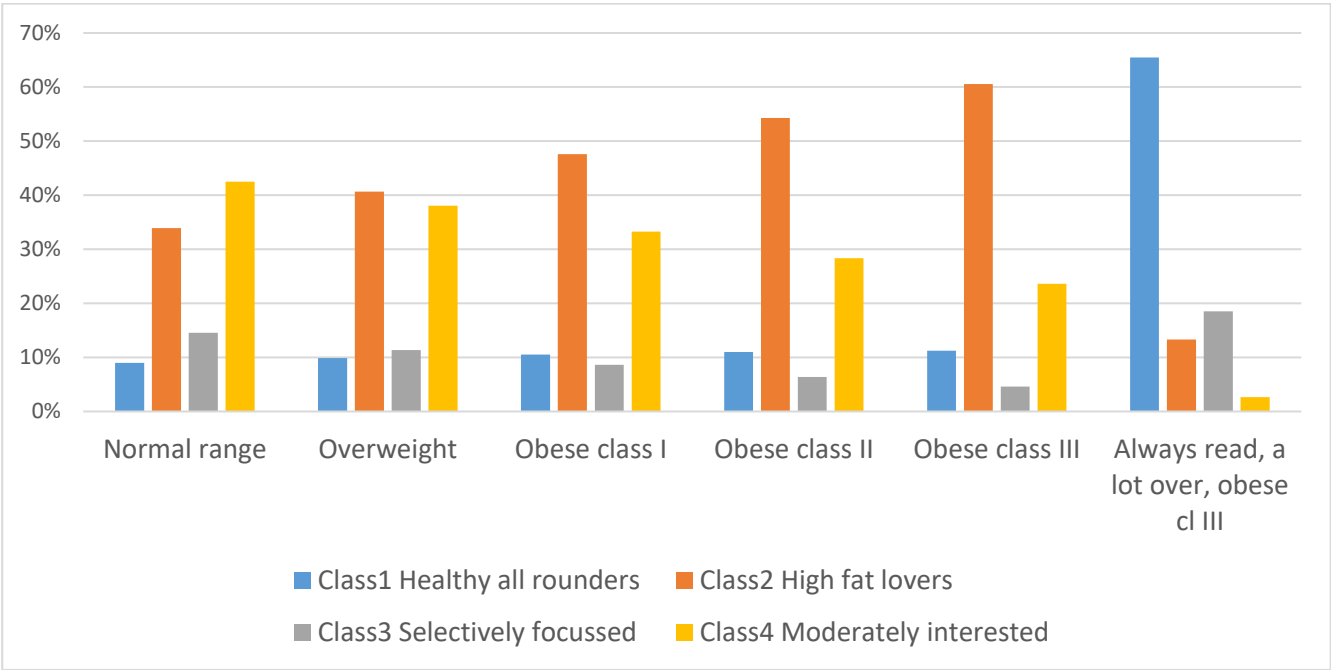


Figure 5 - Distributions of individual marginal WTP estimates for high fat and high sugar level.

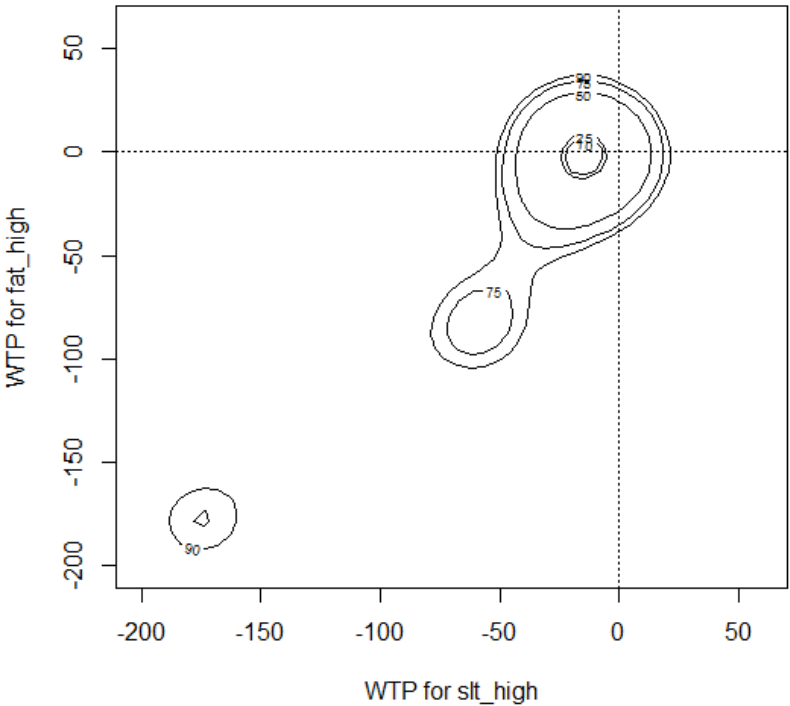


Figure 6 – Marginal effects of FoPL types on predicted class membership posterior probabilities (TXT as a baseline).

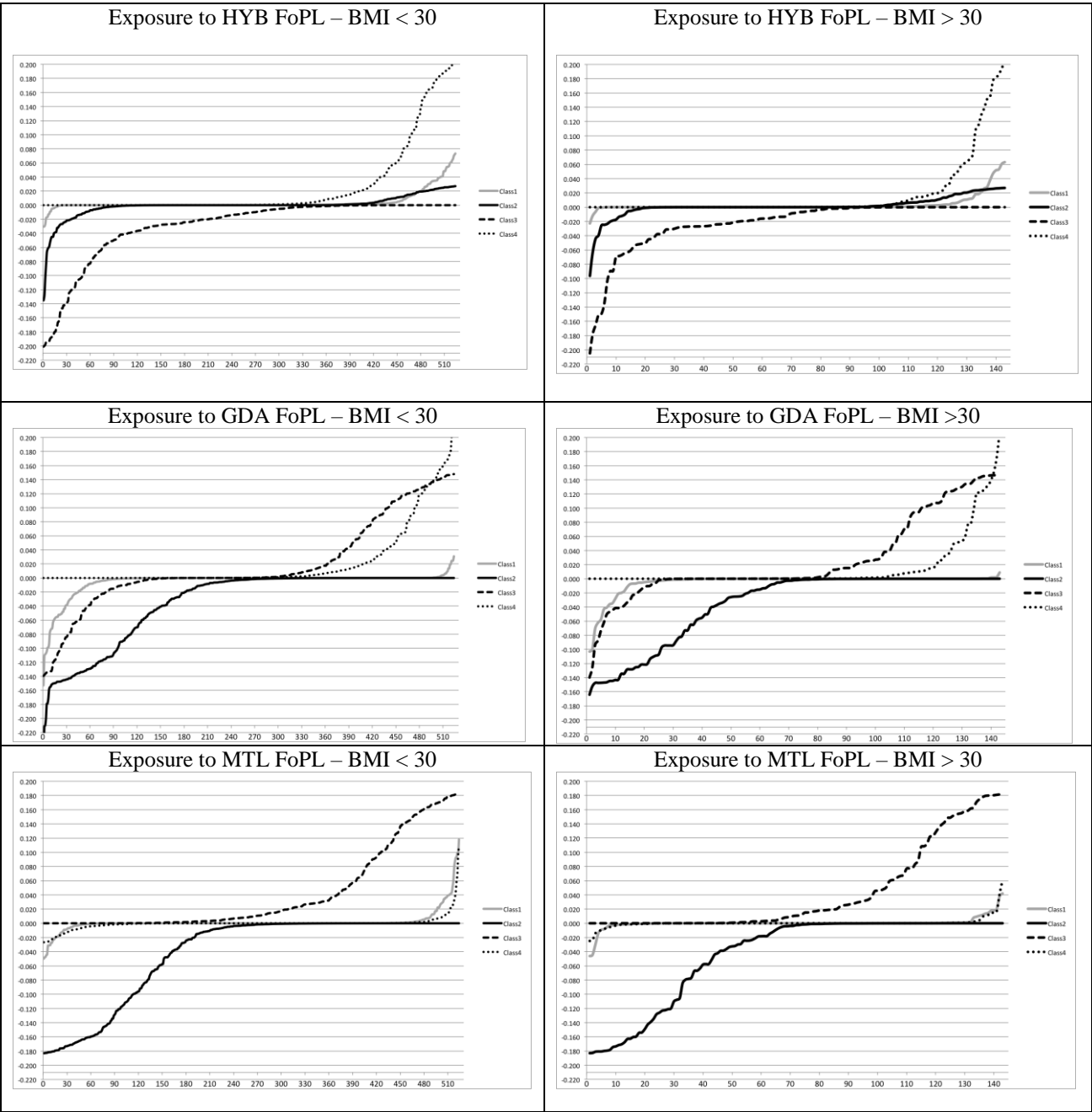


Figure 7 -- Effect of FoPL types predicted choice between SQ and healthy baskets by BMI groups

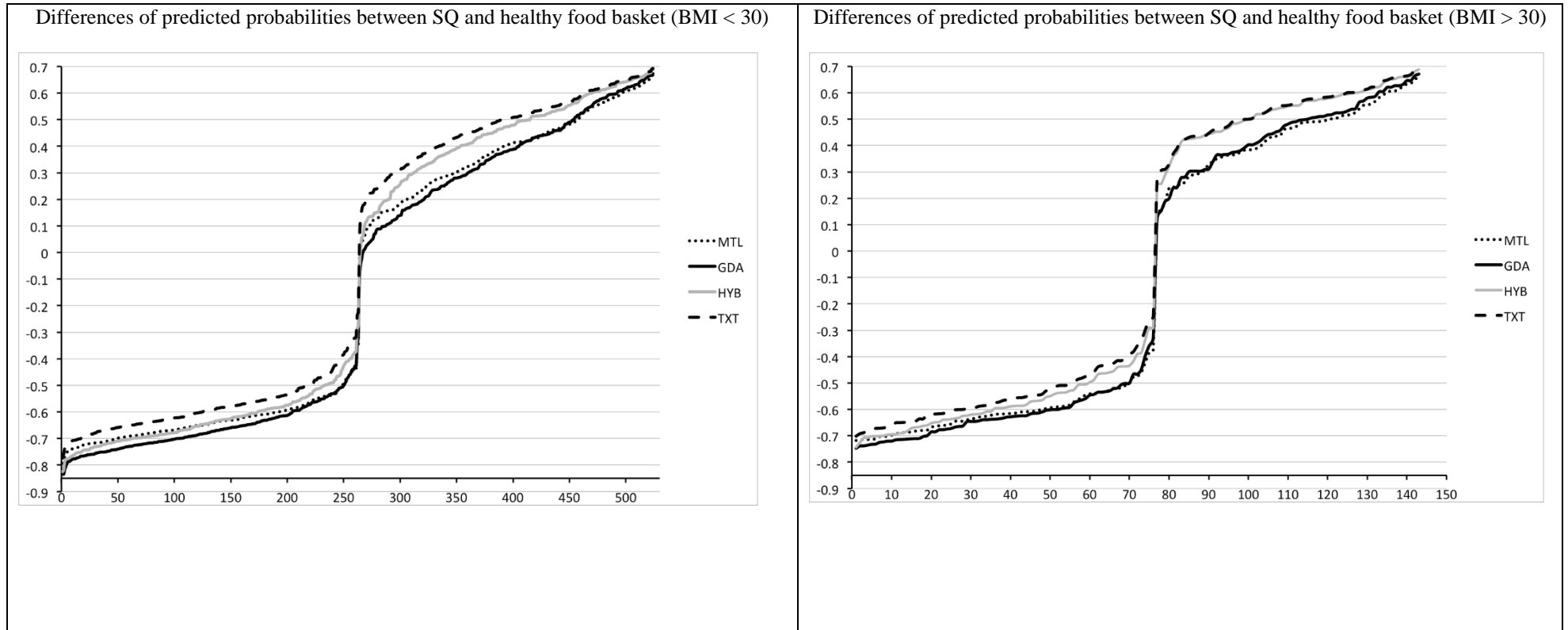
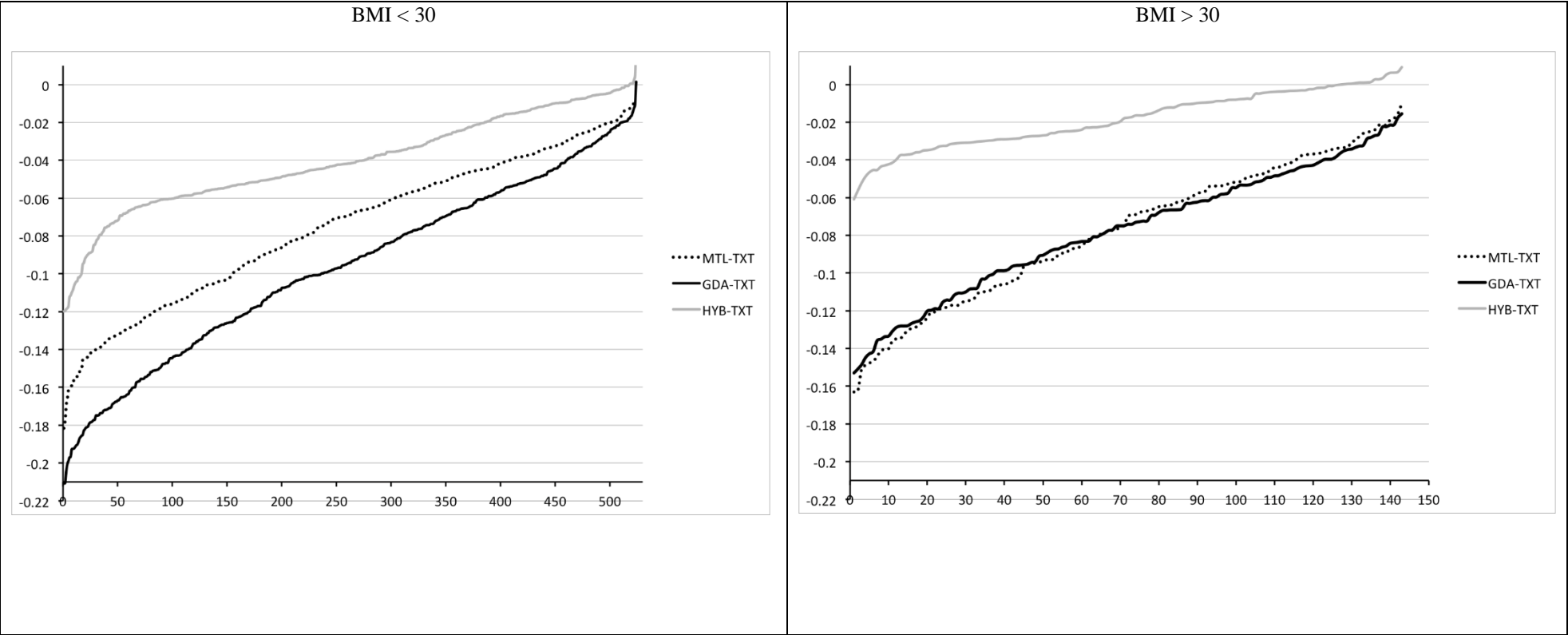


Figure 8 – Selection of the SQ probabilities differences between other FoPL and TXT by BMI groups

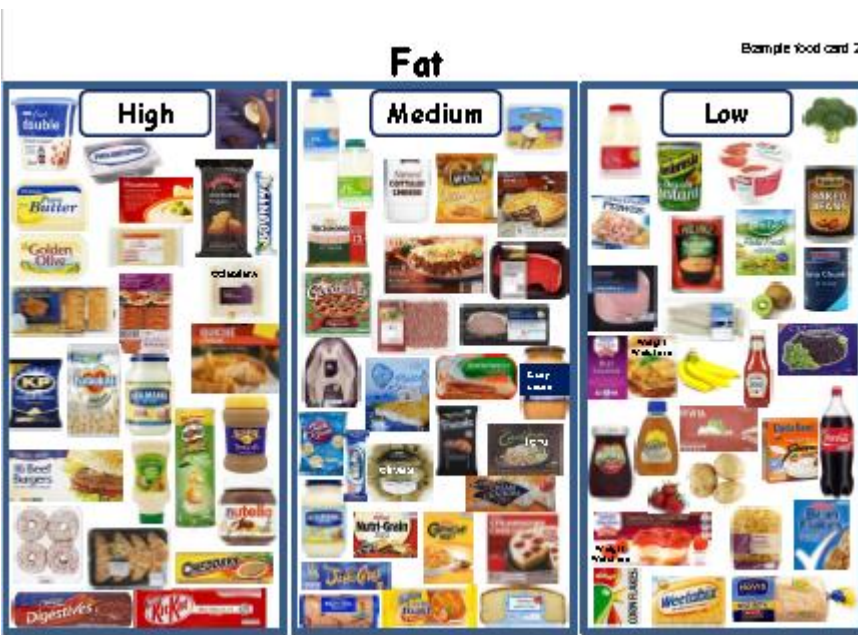


Appendix

Example of food card for sugar



Example of food card for fat



Correlation of BMI with SQ basket attributes' levels

	<i>bmi</i>	<i>sug_l</i>	<i>fat_l</i>	<i>stfat_l</i>	<i>slt_l</i>	<i>sug_h</i>	<i>fat_h</i>	<i>stfat_h</i>	<i>slt_h</i>	<i>price</i>
bmi	1.00									
sug_l	-0.04	1.00								
fat_l	-0.13	0.64	1.00							
stfat_l	-0.15	0.63	0.82	1.00						
slt_l	-0.08	0.57	0.58	0.60	1.00					
sug_h	0.17	-0.70	-0.64	-0.61	-0.51	1.00				
fat_h	0.22	-0.53	-0.76	-0.68	-0.47	0.74	1.00			
stfat_h	0.21	-0.50	-0.67	-0.76	-0.48	0.71	0.84	1.00		
slt_h	0.20	-0.48	-0.56	-0.59	-0.70	0.65	0.66	0.70	1.00	
price	0.23	0.02	-0.05	-0.07	-0.02	-0.03	0.04	0.07	0.09	1.00